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TODAY: MONEY Currency Investing, Page 15

2d Death Reported in North Korea Leadership

Changes at the Top Set Off Speculation About Possible Purge

By Mary Jordan
Washington Post Service

SEOUL — Just days after North Korea's defense minister died of a heart attack, another key defense official has died of an "incurable disease," according to the state-run radio.

These two deaths, following the defection of a top government ideologue and the replacement of the reportedly ailing prime minister, all in the last two weeks, amount to a major change in the elite who rule the secretive nation.

Radio Pyongyang announced Friday that Kim Kwang Jin, 69, the first deputy minister of the armed forces, died Thursday. It gave no details other than the vague statement that he had died of an "incurable disease."

Mr. Kim's death, so soon after that of Defense Minister Choe Kwang, 78, on Feb. 21, led some to speculate that one or both of their deaths may not have been from natural causes.

Some Korea-watchers wonder if Kim Jong Il, the North Korean leader, is purging those he deems insufficiently loyal, in particular elder party officials closely aligned with his father, Kim Il Sung. The charismatic elder Kim ruled

Cabinet shake-up in Seoul. Page 4.

the country for four decades until his death in 1994, and his son is seen as far weaker and less of a natural leader.

But analysts here also acknowledge that so little is known about the inner workings of North Korea that it is entirely possible that both of the defense officials died simply because they were old and sick.

"North Korea lends itself to conspiracy theories," said Michael Breen, a North Korea specialist in Seoul. "But you have to remember that people don't retire in Communist regimes. They die in office."

Mr. Breen said he was "not yet convinced" that a purge was going on, "but there is certainly generational change."

Katsumi Sato, president of the Modern Korea Institute in Tokyo, said he believed there was an ideological split in the North Korean leadership. He said that Kim Jong Il was thinking: "Are you going to support me or my father? If you don't support me, you will be purged."

Any conflict within the hierarchy of North Korea is important to watch, Mr. Sato said, because it could lead to instability and even the end of the regime.

North Korean newspapers have recently begun to write about "Red Flag" ideology, or intense loyalty to Kim Jong Il. Mr. Breen said this might be part of Kim Jong Il's attempt to "strengthen his personality cult" and his grip on the country, whose economy is collapsing.

Sevda Karkoskn/Reuters

INDIA'S BUDGET SENDS SHARES SOARING — Stockbrokers outside the Bombay Stock Exchange conferring with colleagues as the government unveiled a budget proposal Friday that would slash corporate and individual taxes and raise limits on foreign investment. Buyers pushed shares up over 6 percent. Page 9.

Labour Could Win, Major Concedes

Tory Chief Sees Threat as Real After Severe By-Election Loss

By Erik Ipsen
International Herald Tribune

LONDON — Prime Minister John Major conceded Friday that he was "disappointed" by the severe drubbing delivered by voters in a parliamentary by-election, but vowed that the real battle "has yet to be fought."

But, speaking in a televised interview, he also noted that "if opinion does not change then we are going to have a Labour government," publicly contemplating the possibility that the Conservative Party, in power since 1979, might not win a fifth consecutive term of office.

With less than nine weeks to go until the general election, the stunning defeat of a Tory candidate Thursday on middle class, Tory-friendly suburban ground, both the timing and the scale of the result could scarcely have been worse.

To retake Downing Street on the likely election day of May 1, Labour needs to better its last general election performance by a swing of 4 percent of the voters. On Thursday, in Wirral South, an affluent commuter-belt constituency in northwest England, with an unusually heavy 73 percent turnout, Labour pulled off a swing of 17 percent, more than enough to produce a landslide should the party's standing hold up that long.

Labour's deputy leader, John Prescott, hailed the victory of Ben Chapman as "amazing and brilliant" and as marking "a major shift in politics."

Meanwhile, in a speech in Edinburgh, the Liberal Democrat leader, Paddy Ashdown, had a simple, goading message for the prime minister: "The game's up."

For the Conservatives, there was little to fall back on but their own surprising record of longevity and durability. Before the last general election, five years ago, the Conservatives had gone without a victory in by-elections for five years, a record that stretches unbroken to this day. In spite of that, and with polls showing them trailing Labour up to the eve of the balloting, Mr. Major stormed to victory in the last general election with a 7 percent majority.

On Friday, the prime minister reaffirmed his conviction that voters would once again balk at the prospect of putting into office what he referred to as a "socialist" government.

Mr. Major, who came from behind to win the 1992 election, made it clear that he would not go down without a fight.

"The battle is still to be fought," he said. "Does Britain change course, does it move towards the policies of socialism? Or does it stay with the policies that have made it successful? That is the choice that lies ahead."

What worries Tory strategists, and

See MAJOR, Page 5

A French 'Miserable' Finds Justice

By Barry James
International Herald Tribune

Jean Valjean, the stout-hearted hero of "Les Miserables," would have understood.

Displaying more sympathy than strict legality, a court in Poitiers, in southwestern France, has found a woman not guilty of theft, even though she readily admitted shoplifting in three supermarkets to put some meat on the plates of her two children.

It seemed like an open-and-shut case until the woman's lawyer, Philippe Brottier, found a little known statute dating almost from the time of Victor Hugo.

Incorporated in the 1994 penal code, the statute states that a person who steals out of necessity is not guilty of theft, provided the means are not disproportionate to the end.

The legislation echoes a principle taught both by the Roman Catholic Church and by Enlightenment philosophers that there is a natural law standing above man's law.

Introduced into French jurisprudence during the Belle Epoque at the end of the last century, a time of luxury for some and misery for many, the law originally exculpated a man who had stolen bread to feed his family.

It has more recently been used to justify homeless people who have broken into empty apartments in search of shelter.

In the Poitiers case, the judge looked into the woman's background and discovered that she was bringing up her children alone but decently on a sparse income, and that she had just begun a course of chemotherapy.

She had gone to Poitiers for treatment, and, she testified: "As I left, I looked at the store windows. There were sales everywhere, particularly for foodstuffs. And I thought of my children, who kept saying they were fed up with pasta."

Clearly, said the judge, the woman was in a state of necessity, and since she had reimbursed the stores, they had not been harmed. Because no crime had been committed, the woman could not be identified.

The question now is whether the case will set a precedent at a time of rising unemployment and poverty.

The public prosecutor at Poitiers is appealing the case. He said that the women's children ate at their school canteen, and that necessity could therefore not be invoked. The woman told a reporter than only one child ate at the canteen of his kindergarten, and that both complained they had had enough of eating pasta and rice every day.

World Starts to Weary of Bosnian Hate

Aid Donors and NATO Troops Give Signs of Retreat Before Violence

By Chris Hedges
New York Times Service

MOSTAR, Bosnia-Herzegovina — The local Croatian authorities insist that the two huge pits being dug along the old confrontation line in the center of Mostar will hold the foundations of a theater and a Roman Catholic cathedral. To their Muslim enemies on the other side of town, they look like the beginnings of fortified bunkers and an attempt by the Croats to seize territory in the desolate no man's land that separates East and West Mostar.

The international peacekeepers here say they suspect the Croats are building forts, but they show no inclination to do anything about it.

It used to be that such questions, typical of the dizzying conretemps between ethnic Croats and Muslims in Mostar, preoccupied and concerned the outside world, which invested tens of millions of dollars to unify this divided city of 70,000 people.

But no more. Exhausted and frustrated by the repeated refusal of Serbs, Croats and Muslims to honor the December 1995 peace agreement, the international organizations have begun a silent retreat from Bosnia.

An international peacekeeping force of 30,000 remains in Bosnia, but its commanders insist that the force will leave as planned in the spring of next year.

The European Union, which donated more than $150 million in reconstruction aid, withdrew in disgust in December. The United States, which brokered a federation of Muslims and Croats in Bosnia, has yet to get it to function.

See BOSNIA, Page 5

Bloom Is Off Tory Rose In Once-Stalwart Wales

By Warren Hoge
New York Times Service

BARRY, Wales — The menace to Britain's Conservatives lurks here, above the Victorian row houses by the Bristol Channel up to subdivisions scattered about the coastal hills.

The Tories have presided over a five-year recovery, and they have been particularly generous to the Welsh, lavishing government spending here at an annual rate that is nearly $1,000 a head more than in England.

South Wales leads all other regions of Britain in attracting foreign investment, including the largest Europe has ever seen, a $2.75 billion manufacturing base under construction nearby for the South Korean electronics giant LG.

Main street business is booming, auto parts and semiconductor factories are expanding, houses are gaining value, a new 76,000-seat all-weather sports stadium is being built, and the European prime ministers have picked Cardiff as the location of their summit conference next year.

All these signs of confidence and economic well-being have not protected the Conservatives, now in power for nearly 18 years, from the danger represented by people like Mark Stephenson, a consulting mineral surveyor who lives in a house at the end of a cul-de-sac with his wife, Helen, and their 15-month-old son, Ross.

A self-described "strong Conservative" who has taken part in the Tory-led prosperity, he will desert the party he has always voted for to support the opposition Labour Party in the general election to be held this spring.

"They don't seem to have any new ideas, any energy, and Labour does," he said in a living room cluttered with toys. "No one has fears about putting the country in control of Labour anymore because they've put all the old fears to rest."

Passionate about Margaret Thatcher's free-market reforms a decade ago, Mr. Stephenson said he now believes they have produced too much social dislocation.

"I've lived in the Cardiff area all my life, and I never saw beggars in the street," he said. "Now when I go to work, I pass 15 a day, and in the valleys the deprivation is incredible."

Several miles away, Keith Martin Doust was busy moving into the new

See WALES, Page 5

Latins Bristle at U.S. Drug Preaching

By John Ward Anderson and Douglas Farah
Washington Post Service

MEXICO CITY — Monica Cuevas y Lara, director of Mexico City's National Museum of Interventions, knows foreign meddling when she sees it, and to her the U.S. drug certification process obsessing governments across the hemisphere certainly qualifies.

"It's a big attack on our sovereignty," said Ms. Cuevas, whose museum chronicles, year by year and with painstaking detail, what it sees as infringements on Mexico's domain. "We feel it's humiliating because the U.S. is the most important drug market, and they don't have the moral authority to judge us."

In Latin America, it is hard to find a voice that does not agree with Ms. Cuevas that the annual certification — in which the U.S. government declares whether 31 countries are aggressive enough in combating narcotics trafficking — is humiliating and hypocritical.

Decertification triggers U.S. economic sanctions, including the cutoff of most aid and an automatic negative vote by the United States on any loan requests the countries make of the International Monetary Fund, World Bank and other multinational lending institutions.

Colombians, for example, whose government was decertified last year, complain bitterly that Americans' demand for drugs, not Latin America's ability to provide them, is the root of the problem, and that therefore the United States has no right to judge.

In a region where the United States has a long history of intervention, many others as well see the certification process — especially when their countries are targeted — as a vestige of a bygone era, offensive to nationalist sentiments.

"It is a process that is unjust, unrealistic and brings deep indignation," Colombia's foreign minister, Maria Emma Mejia, said in an interview. "The United States does not evaluate itself, and it is a policy that does not work. It is terrible for building hemispheric understanding."

Ms. Mejia said that if Colombia were decertified again this year, Bogota

See DRUGS, Page 5

Newsstand Prices			
Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 Riels
Egypt	£E 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10.00 R.
Gabon	1100 CFA	Senegal	1,100 CFA
Greece	350 Dr.	Spain	225 PTAS
Italy	2,800 Lire	Tunisia	1,250 Din
Ivory Coast	1,250 CFA	U.A.E.	10.00 Dirh
Jordan	1,250 JD	U.S. Mil. (Eur.)	$1.20

The Wall That Never Went Up

New Battle of Normandy Rages Over U.S. Memorial

By Brian Knowlton
International Herald Tribune

WASHINGTON — When Americans visit the D-Day beaches of France, thousands head each year to Le Memorial, a war museum and garden taking shape in Caen to honor the soldiers who took part in the liberation of Normandy.

And many look for the wall — the wall of Norman stone on which nearly 70,000 veterans' names were to have been inscribed.

Thousands of World War II veterans and members of their families paid $40 each to be included in the monument, inspired by the sober black marble of the Vietnam Memorial in Washington.

The garden is magnificent, a beautiful expanse of greenery, says Jacques Belin, director of Le Memorial.

But there is no wall.

And, as angry complaints by veterans pile up, questions are being asked about what happened to the $2.5 million raised by a group called the Battle of Normandy Foundation specifically to build the wall.

The foundation, a private, nonprofit organization, is currently under investigation by the FBI.

Its former president, Anthony Stout, who was forced out amid concerns of gross mismanagement, left debts of more than $3 million, board members say.

Mr. Stout, a Washington lawyer and lobbyist, said this week on the CBS program "60 Minutes" that he does not know where the money went.

Tom Baker, a retired army colonel who joined the foundation after Mr. Stout's departure and now serves as executive director, finds that hard to believe.

"He knows where the money went.

See WALL, Page 3

F. Olivier Manbys/Agence France-Presse

RESENTING RENAULT — Workers feeding a fire Friday near a Renault plant in Belgium after learning the plant was to be shut. Page 9.

AGENDA

Clinton Recertifies Mexico Drug Policy

The Associated Press

WASHINGTON — Overriding critics who call Mexico a springboard for U.S.-bound drugs, President Bill Clinton decided Friday to recertify the Zedillo government's scandal-ridden drug program, administration officials said.

Three administration officials, including a senior Clinton aide, also said the president decided to decertify Colombia again, a diplomatic slap at a country whose anti-drug campaign is considered too weak by the United States.

The Dollar		
New York	Friday @ 4 P.M.	previous close
DM	1.6903	1.688
Pound	1.6295	1.626
Yen	120.225	120.675
FF	5.71	5.694

The Dow		
	Friday close	previous close
-47.33	6877.74	6925.07

S&P 500		
change	Friday @ 4 P.M.	previous close
-4.26	790.82	795.08

2 Quakes Kill 180

ISLAMABAD, Pakistan (AP) — An earthquake measuring 7.3 on the Richter Scale shook southwestern Pakistan on Friday, demolishing homes and killing at least 80 people. And in Iran, a magnitude 5.5 quake killed 100 people and injured 250 near the border with Azerbaijan, Iranian television reported.

EUROPE Page 2.
Germans Seek Trend in Sunday Vote

THE AMERICAS Page 3.
When the Pentagon Can't Find Logs

Books ... Page 3.
Crossword ... Page 13.
Opinion ... Page 8.
Sports ... Pages 18-19.
International Classified Page 4.

Frankfurt Votes Sunday, and Germans Watch for a Trend

By John Schmid
International Herald Tribune

FRANKFURT — The City Council elections in Frankfurt on Sunday, which the main parties view as a bellwether of national German voter sentiment, are expected to give Chancellor Helmut Kohl a badly needed boost, though one that might prove short-lived.

With opinion polls pointing to gains in the Frankfurt City Hall for his Christian Democratic Union, Mr. Kohl has said that the vote Sunday will send a signal for the outcome of the 1998 national elections. Mr. Kohl has not announced whether he will run for reelection next year, although many expect he will in an effort to keep up the momentum of his economic reforms and his drive for European currency union.

About 330 towns in the state of Hesse, in the heart of Western Germany, will vote. But Frankfurt's is the hottest race because its 600,000 residents and its economic and international significance dwarf those of the other municipalities.

The most formidable advantage for Mr. Kohl, if the polls prove accurate, will derive from the strategy by the Social Democrats, who are in opposition in Bonn. They have tried to make the municipal vote a referendum on Mr. Kohl's record, exploiting the disillusion at Germany's record unemployment.

As the campaign entered its final weeks, the Social Democrats have plastered Germany's financial center with posters that have nothing to do with traditional city issues like crime or garbage collection. They instead invoke the federal government's drive to curtail welfare entitlements and urge voters to "send the bill to Bonn." It looks as if the strategy could backfire. The Social Democrats consistently get only 28 percent in the polls, down from 32 percent in the last City Council election, in 1993, and well below the 40 percent they got in the 1989 city election.

Although Mr. Kohl is expected to portray any gains by his allies in Frankfurt as a victory, it could prove fleeting. The party's standing in Frankfurt is an anomaly to the national trend, which shows that Mr. Kohl's popularity has sunk as unemployment has risen.

The Electoral Research Group, the most respected of Germany's polling agencies, last week gave Mr. Kohl's government its worst approval rating in three years. His party trailed the Social Democrats, it found, and a majority did not want him to run again in 1998.

Mr. Kohl and top leaders from all the political parties have descended on Frankfurt in recent days to whip up voter enthusiasm, evidence that Frankfurt's election enjoys national attention disproportionate to its provincial substance.

That is only because there are virtually no other barometers of genuine voter reaction this year. The next sampling of the electorate's mood will be in September for the statehouse vote in the city-state of Hamburg.

Regional elections, however, can have major national importance. The other most recent elections were in March last year, when the Social Democrats used a statehouse election in Baden-Wuerttemberg to exploit German fears of giving up the Deutsche mark in the 1999 currency union. They suffered losses and had to retrench while Mr. Kohl used the momentum to get his unpopular austerity plan passed.

Unlike the Social Democrats, Frankfurt's local Christian Democrats have not linked the city hall election to national affairs. Much of their optimism stems from the city's popular mayor, Petra Roth, an accomplished and affable politician.

Although Mayor Roth was directly elected in 1995 and is not on the ballot Sunday, her personal popularity leads the campaign for the party's City Council candidates.

Showing their confidence, the Christian Democrats have campaigned under a slogan of winning an outright majority in the 93-seat chamber.

They are unlikely to attain that goal, but they are expected to post solid gains.

Russians Are Engaged In a Fierce Debate Over Their Military's Future

By Michael R. Gordon
New York Times Service

MOSCOW — Russian defense ministers have rarely hesitated to tout their nation's military power. But Igor Rodionov has taken a decidedly different approach.

In an increasingly desperate effort to prop up military spending, Mr. Rodionov has been bitterly belittling his nation's military forces. He has even gone so far as to warn that Russia may lose control of its nuclear-tipped missiles, comments that deeply embarrassed the government of President Boris Yeltsin and drew stout denials from the Kremlin.

Call it bargaining from weakness. Mr. Rodionov's alarms have become part of an unusually public fight the fractious security establishment is having with itself.

The often shrill debate is colored with talk about defending the fatherland. But like virtually everything else in Russia these days, most of it boils down to money — or rather the lack of it.

On the one side is Mr. Rodionov, a recently retired general who achieved a degree of notoriety in 1989 as the commander of Russian troops that cracked down on peaceful protesters in the Georgian capital, Tbilisi.

Joined by his fellow generals and by former officers on the pro-military parliamentary committee on defense, Mr. Rodionov argues that Russia needs to spend considerable sums to moderate the pace of cutbacks and cushion the harsh fates of officers with long years of service to the Soviet Union behind them and nowhere to go.

"By 2000 or thereabouts, our country's defenses will be in ruins," Mr. Rodionov said recently.

On the other side is Yuri Baturin, secretary of Mr. Yeltsin's Defense Council and an economist by training. Arguing that the government simply does not have the money, he insists that the sooner the armed forces are downsized and restructured the better.

"There is no reform, only endless talk about reform," a frustrated Mr. Baturin said recently. "We should be talking first and foremost about a more rational utilization of the defense ruble."

At times, the debate is almost personal.

Mr. Rodionov recently attacked the president's promise to create a professional army as a favor to "new Russians" who want to exempt their children from military service. By so doing, he seemed to be challenging the patriotism of the former bankers turned politicians who dominate many of the top posts in the government.

Mr. Yeltsin responded to that and other Rodionov assertions by urging his defense minister to stop "whining."

All of the military politics has done little to rescue the armed services from their perilous state.

Defeated on its own soil by Chechen rebels, the Russian military is not even sure how many soldiers it has. Some 1.7 million supposedly serve, but most experts think the real number is far less.

"Nobody knows the exact strength of the armed forces," Mr. Baturin said. Ultimately, the military is to be reduced to 1.2 million. Nor do top Yeltsin aides have a clear idea of what happens with the money allocated for defense.

"Nobody knows what happens with this money, and the Ministry of Defense also does not know," Finance Minister Alexander Livshits said in an interview.

What is clear is that there is not a lot of it. This year the government plans to spend 104 trillion rubles (a meager $18.5 billion) on the military. But the armed forces will be lucky to receive anywhere close to that sum.

By contrast, the Pentagon will spend $250 billion in the 1997 fiscal year. Even allowing for Russia's cheaper manpower, its budget does not go very far.

In one of the stranger twists of Russian military reform, cutting the armed forces may actually entail substantial up-front costs. In part, that is because retired senior officers are entitled to 75 percent of their military pay, a stipend and a free apartment for life. The Russian military is top-heavy with officers.

Those are benefits budget-cutters like Mr. Baturin would like to pare.

Far-reaching plans to develop a more mobile, better equipped and professional army also entail considerable spending. Even if the military had a blueprint for change, nobody knows where the money would come from.

Adding a new element of intrigue, Mr. Yeltsin met Thursday with Colonel General Victor Chechevatov, commander of the Far East military district.

During last year's election, Mr. Chechevatov scored points with the Kremlin by withdrawing his candidacy in favor of Mr. Yeltsin after the general was nominated by his troops.

The Russian press has noted that General Chechevatov's view of military reform is closer to Mr. Baturin's, not Mr. Rodionov's, so the meeting fanned rumors of a military shake-up that could eventually extend to defense minister.

BRIEFLY

Yeltsin Denounces Budget

MOSCOW — President Boris Yeltsin of Russia accused his own government Friday of producing a "bad budget" and said he would have to take financial matters into his own hands to avert a crisis.

In a brief radio address, the president said he was not sure the 1997 budget was realistic, but that he had signed it reluctantly to avoid political turmoil.

"I have just signed Russia's 1997 budget," he said. "I'll tell you straight. It was not an easy decision. There are very major doubts over whether the budget can be fulfilled."

He added: "I signed it with a heavy heart. Because to send back the budget today would have meant pushing the political situation in the country to the limits of bitterness." *(Reuters)*

Hearing on Prodi Delayed

ROME — A hearing to decide whether Prime Minister Romano Prodi should be put on trial on charges of abuse of office was adjourned Friday until March 19, Mr. Prodi's lawyer said.

The lawyer said the examining judge had granted a request from another defendant for a court-appointed investigation of the financial transaction at the root of the allegations, linked to Mr. Prodi's chairmanship of a state holding company, IRI.

The allegations relate to the company's sale of the food group Cirio in October 1993, when Mr. Prodi was chairman. The prosecutor, Giuseppa Geremia, contends that Mr. Prodi and five other board members awarded an "unjust advantage" to a consortium, Fis.Vi., in its purchase of Cirio. They deny the charge. *(Reuters)*

Tirana Is 'Pessimistic'

TIRANA, Albania — The embattled prime minister of Albania warned Friday that the country was on the brink of an economic catastrophe, as 10,000 people marched for a 24th straight day of protests over failed savings plans.

The official, Aleksander Meksi, said he was "very pessimistic" about the economic crisis gripping the country, but rejected charges that the government was to blame for the collapse of various pyramid savings plans, which have ruined tens of thousands of families.

"The situation could be worse than in 1992," when the Communist regime collapsed, he said, citing rising inflation, a budget deficit and the instability of the national currency, the lek.

In the past two months, the lek has lost a third of its value against the dollar, and prices have risen 40 to 50 percent.

But, while more than 10,000 people took to the streets of the southern city of Vlore to protest the collapse of the savings plans, Mr. Meksi attributed the crisis to "left-wing extremist elements and people who live off ill-gotten gains, such as drugs and contraband."

The protesters blame the governing party of President Sali Berisha for the failure of the pyramid plans. *(AFP)*

Michael Urban/Reuters

LETHAL CARGO — Trucks leaving the nuclear plant at Neckarwestheim, Germany, on Friday with three containers of waste destined for a dump in the north. The police said about 1,000 protesters tried to block the convoy.

No Apology Due to Jews, Executive Advises Swiss

Reuters

ZURICH — A leading Swiss industrialist and far-right politician injected more acrimony Friday into the debate about a Holocaust fund by saying that the Swiss should not apologize for their business dealings in World War II.

The industrialist, Christoph Blocher, chairman of EMS-Chemie Holding AG and a member of Parliament, said that contributing to a fund for Holocaust survivors was an admission of guilt.

Switzerland had no reason to apologize for doing business with Nazi Germany to survive as a neutral country during the war, Mr. Blocher said in answer to questions at a news conference on the 1996 results of the chemical company.

"The trade policy was not false: It was legal, correct and necessary for Switzerland's survival," he said. "I want to send the clear message that reparation or an apology is out of the question."

The debate began almost immediately after the nation's three biggest banks announced in February that they were donating 100 million Swiss francs ($68 million) to start the fund.

At the same time, they also encouraged the government and business to contribute.

The decision to set up the fund was aimed at diffusing the controversy while helping to repair the Swiss banking industry's image, which was bruised by the affair.

Swiss banks have been accused by Jewish groups of withholding accounts left by Holocaust victims.

The banks deny they deliberately kept heirs away from the money. But they agreed with the World Jewish Congress last May to an inquiry by an independent panel with powers to lift bank secrecy to search historical records.

The federal government has delayed a decision on joining in while it grooms broad political support for the step, but the cabinet agreed Wednesday to administer the fund with the World Jewish Restitution Organization.

Other banks and private industry in Switzerland have pledged their support for the fund.

But Mr. Blocher contended that the Swiss should question the idea of using taxpayer money to make donations to such a fund.

"Why are we paying?" Mr. Blocher said. "The people will want to know why they would have to pay."

TRAVEL UPDATE

Lufthansa and Union Moving to Resume Talks

FRANKFURT (Bloomberg) — Lufthansa and the DAG union, which represents pilots, cabin and ground staff at the airline, indicated Friday that they were ready to resume contract negotiations.

The union, which represents about one in 10 Lufthansa employees, called Friday for the German carrier to resume talks, averting the threat of a strike by pilots as early as this weekend. If the wage talks fail, the union said its members would support a strike. It said job security was the central issue.

Lufthansa said it was ready to respond to the union's call.

IATA Clearinghouse Handles Record Billings

GENEVA (Reuters) — The International Air Transport Association's clearinghouse, which settles bills between companies in the airline industry, processed a record $27.9 billion in 1996, the organization reported Friday.

This meant that one quarter of the industry's turnover for scheduled international flights — which hit $130 billion in 1995 — was passing through the clearinghouse. It settles most debts without cash transfers.

The United States and Taiwan have agreed to a free market aviation agreement that ends restrictions on flights between the two countries, the U.S. Transportation Department announced Friday. *(Reuters)*

Annan Pushes for a UN Force To End Strife in Eastern Zaire

Reuters

PARIS — The United Nations secretary-general, Kofi Annan, encouraged by France, said Friday that he hoped to persuade member states to reconsider sending a multinational force to eastern Zaire because of the serious humanitarian situation there.

But UN officials questioned whether the United States and other powers would be more willing to send troops into the region now than they were in December.

"I hope with this information we can persuade member states to reconsider the decision to cancel the multinational force for eastern Zaire," Mr. Annan said after talks with Foreign Minister Herve de Charette of France.

Mr. Annan said he had no precise information about reported massacres of Rwandan Hutu refugees in Kivu Province, where Tutsi rebels are fighting Zaire government forces, but he said "the humanitarian situation is very serious."

The new UN chief, visiting Paris, said the international community had not shown sufficient political will to send the force created by a UN resolution in November but he would take the issue up again on his return to New York.

Plans to send the force, for which a Canadian general had been appointed commander, collapsed when many of an estimated 1.2 million refugees from Rwanda and Burundi returned home.

■ Important Town Is Said to Fall

The United Nations said Friday that Zairian rebels had captured the key town of Kindu, on the upper reaches of the Zaire River, on Thursday, but this was denied by the government in Kinshasa, Agence France-Presse reported from Nairobi.

A senior rebel official said Friday that fighting was continuing in the region.

The UN Department of Humanitarian Affairs quoted "well-placed regional sources" as confirming that the rebels had occupied Kindu on Thursday. Its report was backed up by a source in Kisangani, 400 kilometers downriver.

RELIGIOUS SERVICES

AMSTERDAM

CROSSROADS INTERNATIONAL CHURCH Interdenominational & Evangelical Sunday Service 10:00 a.m. & 11:30 a.m./ Kids Welcome. De Cuserstraat 3, S. Amsterdam Info. 020-641 8812 or 020-6451 653.

FRANCE/TOULOUSE

HOPE INTERNATIONAL CHURCH (Evangelical). 4, bd. de Pibrac, Colomier. Sunday service. 6:30 p.m.Tel.: 05 62 74 11 55.

FRENCH RIVIERA/CÔTE D'AZUR

NICE: Holy Trinity (Anglican), 11 rue Bulla, Sun. 11; **VENCE:** St Hugh's, 22, av. Résistance, 9 a.m Tel 33 04 93 67 19 83.

MONTE CARLO

MONACO CHRISTIAN FELLOWSHIP Worship Service, Sundays: 11 a.m. 9, rue Louis Notary, Monte Carlo. Tel.: 377 92 16 56 47.

MUNICH

INTERNATIONAL COMMUNITY CHURCH. Evangelical Bible Believing services in English 4:30 p.m. Sundays at Enhuberstr. 10 (U2 Theresienstr.) (089) 850-8617.

PARIS and SUBURBS

EMMANUEL BAPTIST CHURCH - An evangelical church in the western suburbs, all are welcome. 9:45 First Service concurrent with Sunday School, 11:00 Second Service with Children's Church. French Service 6:30 p.m. 56, rue des Bons-Raisins, 92500 Rueil-Malmaison. For info, call 01 47 51 29 63.

HOPE INTERNATIONAL CHURCH Hotel Orion at Paris-la-Défense, 8 bd. de Neuilly. Worship Sundays 9:30 a.m. Rev. Douglas Miller, Pastor. Tel.: 01 43 33 04 06. Métro 1 to la Défense Esplanade.

SAINT JOSEPH'S CHURCH (Roman Catholic) MASS IN ENGLISH: Sat. 6:30 p.m.; Sun. 9.45, 11:00 a.m., 12:15, 6:30 p.m. 50, avenue Hoche, Paris 8th. Tel: 01 42 27 28 58. Metro: Charles de Gaulle - Etoile.

TOKYO

ST. PAUL INTERNATIONAL LUTHERAN CHURCH, near Iidabashi Stn. Tel.: 3261-3740. Worship Service: 9:30 a.m. Sundays.

TOKYO UNION CHURCH, near Omotesando Subway Sta. Tel.: 3400-0047. Worship Services: Sunday - 8:30 & 11:00 a.m., SS at 9:45 a.m.

SWITZERLAND

BASEL CHRISTIAN FELLOWSHIP English-Speaking non-denominational. Tel. +41 61 302 1674, Sundays 10:30 Mittlere Strasse 13, CH-4056 Basel.

ZURICH-SWITZERLAND

ENGLISH-SPEAKING CATHOLIC MISSION; St. Anton Church, Minervastraße 83 Sunday Mass: 8:30 a.m. & 11:30 a.m. Services held in the crypt of St. Anton Church.

THE EPISCOPAL CHURCHES OF EUROPE (Anglican)

PARIS and SUBURBS

THE AMERICAN CATHEDRAL OF THE HOLY TRINITY, Sun. 9 & 11 a.m., 10:45 a.m. Sunday School for children and Nursery care. Third Sunday 5 p.m. Evensong. 23, avenue George V, Paris 75008. Tel.: 33-01 53 23 84 00. Metro: George V or Alma Marceau.

FLORENCE

ST. JAMES' CHURCH, Sun. 9 a.m. Rite I & 11 a.m. Rite II, Via Bernardo Rucellai 9, 50123, Florence, Italy. Tel.: 39/55 29 44 17.

FRANKFURT

CHURCH OF CHRIST THE KING (Episcopal/Anglican) Sun. Holy Communion 9 & 11 a.m. Sunday School and Nursery 10:45 a.m. Sebastian Rinz St. 22, 60323 Frankfurt, Germany, U1, 2, 3 Miquel-Allee. Tel: 49/69 55 01 84.

GENEVA

EMMANUEL CHURCH, 1st & 3rd Sun. 10 a.m. Eucharist; 2nd & 4th Sun. Morning Prayer. 3 rue de Monthoux, 1201 Geneva, Switzerland. Tel.: 41/22 732 80 78.

MUNICH

THE CHURCH OF THE ASCENSION, Sun. 11:45 a.m. Holy Eucharist and Sunday School, Nursery Care provided. Seybothstrasse 4, 81545 Munich (Harlaching), Germany. Tel.: 49/89 64 81 85.

ROME

ST. PAUL'S WITHIN-THE-WALLS, Sun. 8:30 a.m. Holy Eucharist Rite I; 10:30 a.m. Choral Eucharist Rite II; 10:30 a.m. Church School for children & Nursery care provided; 1 p.m. Spanish Eucharist. Via Napoli 58, 00184 Rome. Tel.: 39/6 488 3339 or 39/6 474 3569.

BRUSSELS/WATERLOO

ALL SAINTS' CHURCH, 1st Sun. 9 & 11:15 a.m. Holy Eucharist with Children's Chapel at 11:15. All other Sundays: 11:15 a.m. Holy Eucharist and Sunday School. 563 Chaussée de Louvain, Ohain, Belgium. Tel. 32/2 384-3556.

WIESBADEN

THE CHURCH OF ST. AUGUSTINE OF CANTERBURY, Sun. 10 a.m. Family Eucharist. Frankfurter Strasse 3, Wiesbaden, Germany. Tel.: 49/611.30.65.74.

EUROPEAN BAPTIST CONVENTION

BERLIN

I.B.C., BERLIN. Rothenburg Str. 13, (Steglitz). Sunday, Bible study 10.45, worship Service 12.00 noon. Charles Warford, pastor. Tel.: 030-774-4670.

BREMEN

I.B.C., Hohentorshestr. Hermann-Bose-Str. Worship Sun. 17:00, Pastor telephone: 04791-12877.

BUCHAREST

I.B.C., Strada Popa Rusu 22, 3:00 p.m. Contact Pastor Mike Kemper, Tel. 312 3860.

BUDAPEST

I.B.C., meets at Morics Zsigmond Gemnazium, Torokvesz ut 48-54, Sun. 10:00. Tel. 250-3932.

BULGARIA

I.B.C., World Trade Center, 36, Drahan Tzankov Blvd. Worship 11:00. James Duke, Pastor. Tel.: 669 656.

FRANKFURT

INTERNATIONAL CHRISTIAN FELLOWSHIP, Ev.-Freikirchliche Gemeinde, Sodenerstr. 11-18, 65150 Bad Homburg. Sunday Worship, Nursery & SS: 11:20 A.M. Mid-week ministries, Pastor M.Lévey. Call/Fax: 06173-62728.

BETHEL I.B.C. Am Dachsberg 92 (English). Worship Sun. 11:00 a.m. and 6:00 p.m. Tel.: 069-548559.

HOLLAND

TRINITY INTERNATIONAL invites you to a Christ centered fellowship. Services: 9:00 and 10:30 a.m. Bloemcamptean 54, Wassenaar 070-517-6024 nursery prov.

NICE - FRANCE

I.B.C. 13 rue Vernier, English service. Sunday evening 18:30, pastor Roy Miller - Tel.: (04 93) 32 05 96.

PRAGUE

I.B. FELLOWSHIP, Vinohradska # 68, Prague 3. Sun. 11:00. Tel.: (02) 311 7974.

WATERLOO

WATERLOO BAPTIST FELLOWSHIP Sun. 19:00 at Swedish Church, across from MacDonalds, Tel.: (02) 353 1585.

ZURICH - SWITZERLAND

I.B.C of Zürich, Gheistrasse 31, 8803 Rüschlikon, Worship Services Sunday mornings 10:30. Tel.: 1-4810018.

ASSOC. OF INT'L CHURCHES

BERLIN

AMERICAN CHURCH IN BERLIN, cor. of Clay Allee & Potsdamer Str., S.S. 9:30 a.m., Worship 11 a.m. Tel.: 030-8132021.

FRANKFURT

TRINITY LUTHERAN CHURCH, Nibelungenallee 54, Sun. Worship 11 a.m. Tel. 069/95631066 or 512552.

GENEVA

EV. LUTHERAN CHURCH 20 rue Verdaine. Sunday worship 9:30. In German 11:00 in English. Tel: (022) 310.50.89.

JERUSALEM

LUTHERAN CHURCH of the Redeemer, Old City, Muristan Rd. English worship Sun. 9 a.m. All are welcome. Tel.: (02) 6281-049.

PARIS

AMERICAN CHURCH IN PARIS. Worship 11:00 a.m. 65, Quai d'Orsay. Paris 7. Bus 63 at door, Metro Alma-Marceau or Invalides.

VIENNA

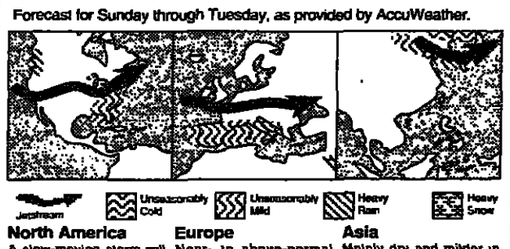
VIENNA COMMUNITY CHURCH. Sunday worship in English 11:30 A.M. Sunday school, nursery, international, all denominations welcome. Dorotheergasse 16, Vienna 1.

ZURICH

INTERNATIONAL PROTESTANT CHURCH English speaking, worship service, Sunday School & Nursery. Sundays 11:30 a.m., Schanzengasse 25. Tel.: (01) 2626525.

WEATHER

Forecast for Sunday through Tuesday, as provided by AccuWeather.



Jetstream · Unseasonably Cold · Unseasonably Mild · Heavy Rain · Heavy Snow

North America

A slow-moving storm will batter western Canada and the Northwest with locally heavy rains through Tuesday. Remaining mild across the eastern third of the nation with clear weather Sunday and Monday; unsettled weather should return Tuesday. Stormy in the Plains Monday.

Europe

Near- to above-normal temperatures will prevail across much of Europe into next week. A front will bring showers to London, Paris and Amsterdam Sunday, then to Warsaw Monday. Mainly dry across much of Europe by Tuesday. Continued springlike in Madrid and Rome.

Asia

Mainly dry and milder in Beijing and Seoul through Monday. Unsettled weather will affect Japan Sunday, then dry with near to below normal temperatures. Seasonably warm with little or no rain in Hong Kong. Typically warm and humid in Singapore; a thunderstorm is possible each afternoon.

Europe

	Today High C/F	Today Low C/F	Tomorrow High C/F	Tomorrow Low C/F
Algarve	22/71	13/55 pc	21/70	13/55 pc
Amsterdam	11/52	8/46 pc	11/52	10/50 r
Ankara	8/46	1/34 sh	9/48	0/32 sh
Athens	10/50	6/43 r	11/52	6/43 c
Barcelona	17/62	11/52 pc	18/64	11/52 s
Belgrade	9/48	1/34 pc	11/52	4/39 pc
Berlin	10/50	6/43 pc	14/57	3/37 c
Brussels	12/53	7/44 pc	13/55	4/39 c
Budapest	8/46	3/37 pc	11/52	6/43 s
Copenhagen	7/44	4/39 pc	8/48	1/34 sh
Costa Del Sol	23/73	11/52 s	22/71	13/55 pc
Dublin	11/52	8/46 r	9/48	2/35 pc
Edinburgh	8/48	7/44 r	8/46	2/35 sh
Florence	18/61	7/44 pc	17/62	8/48 s
Frankfurt	10/50	3/37 pc	12/53	1/34 sn
Geneva	12/53	6/43 c	16/61	7/44 pc
Helsinki	1/34	-8/29 sn	3/37	-1/31 sn
Istanbul	6/43	1/34 c	8/48	2/35 pc
Las Palmas	25/77	18/64 s	26/79	19/66 s
Lisbon	18/64	12/53 c	18/64	12/53 pc
London	13/55	9/48 pc	12/53	4/39 c
Madrid	21/70	7/44 pc	21/70	7/44 s
Mallorca	15/59	12/53 pc	17/62	12/53 s
Milan	16/61	6/43 c	18/64	8/48 pc
Moscow	-2/29	-3/27 pc	2/35	-1/31 c
Munich	9/48	2/35 c	14/57	6/43 pc
Nice	18/64	11/52 pc	20/68	12/53 s
Oslo	4/39	2/35 sn	7/44	-2/29 r
Paris	13/55	8/46 pc	13/55	6/43 pc
Prague	8/48	3/37 pc	13/55	5/41 c
Reykjavik	-6/22	-7/20 c	-1/31	-8/18 sn
Rome	18/61	7/44 pc	18/64	9/48 s
St. Petersburg	1/34	-1/31 sn	3/37	0/32 sn
Stockholm	3/37	1/34 sf	7/44	-2/29 r
Strasbourg	12/53	7/44 pc	16/61	7/44 pc
Tallinn	1/34	-1/31 sn	3/37	0/32 sn
Vienna	13/55	6/43 pc	18/61	9/48 s
Vilnius	11/52	5/41 c	14/57	9/48 pc
Warsaw	7/44	1/34 sh	10/50	7/44 c
Zurich	9/48	5/41 c	14/57	7/44 pc

Middle East

	Today High C/F	Today Low C/F	Tomorrow High C/F	Tomorrow Low C/F
Abu Dhabi	29/73	12/53 s	25/77	14/57 s
Beirut	20/68	14/57 pc	22/71	14/57 pc
Cairo	24/75	13/55 s	23/73	9/48 pc
Damascus	17/62	7/44 s	20/68	7/44 s
Jerusalem	18/64	7/44 s	19/66	7/44 s
Luxor	26/82	10/50 s	32/89	9/48 s
Riyadh	19/66	10/50 s	21/70	11/52 s

North America

	Today High C/F	Today Low C/F	Tomorrow High C/F	Tomorrow Low C/F
Anchorage	-4/25	-21/-5 s	-10/15	-19/0 pc
Atlanta	21/70	13/55 sh	19/64	7/44 pc
Boston	6/46	6/43 sh	19/66	2/35 sh
Chicago	13/55	1/34 sn	6/43	-2/29 pc
Dallas	16/61	1/34 pc	19/66	8/46 s
Denver	3/37	-7/20 pc	11/52	-4/25 pc
Detroit	13/55	4/39 sh	6/43	-2/29 pc
Honolulu	27/80	21/70 r	29/84	19/66 pc
Houston	23/73	10/50 r	20/68	10/50 pc
Los Angeles	19/66	10/50 s	19/66	7/44 pc
Miami	30/86	23/73 s	29/84	21/70 pc
Minneapolis	1/34	-7/20 sn	1/34	-6/22 pc
Montreal	4/39	-4/25 r	11/52	-7/20 sh
Nassau	27/80	19/66 s	29/84	22/71 pc
New York	10/50	9/48 sh	22/71	3/37 sh
Orlando	30/86	17/62 s	30/86	16/61 pc
Phoenix	18/64	6/43 s	21/70	8/48 s
San Fran.	16/61	8/46 pc	14/57	6/43 sh
Seattle	9/48	3/37 r	6/43	-1/31 r
Toronto	11/52	6/43 r	8/46	-6/22 pc
Vancouver	7/44	1/34 r	2/35	-3/26 r
Washington	18/66	17/62 sh	24/75	8/43 sh

Asia

	Today High C/F	Today Low C/F	Tomorrow High C/F	Tomorrow Low C/F
Bali	32/89	22/71 pc	32/89	23/73 pc
Bangkok	33/91	24/75 pc	32/89	24/75 pc
Beijing	3/37	-1/31 sf	8/46	1/34 s
Bombay	34/93	19/66 s	33/91	20/68 s
Calcutta	31/88	17/62 s	30/86	16/61 s
Chiang Mai	33/91	23/73 pc	33/91	23/73 s
Columbo	28/82	21/70 pc	28/82	22/71 s
Hanoi	23/73	13/62 pc	21/70	12/53 c
Ho Chi Minh	32/89	23/73 pc	32/89	23/73 s
Hong Kong	22/71	18/61 pc	19/66	16/61 sh
Islamabad	27/80	8/46 sh	21/70	6/43 s
Jakarta	29/84	23/73 r	28/82	23/73 c
Karachi	27/80	8/46 s	24/75	9/48 s
K. Lumpur	32/89	22/71 pc	31/88	23/73 pc
K. Kinabalu	31/88	24/75 pc	30/86	24/75 pc
Manila	30/86	22/71 sh	29/84	23/73 pc
New Delhi	24/80	13/55 s	24/80	11/52 s
Phnom Penh	32/89	22/71 pc	31/88	21/70 pc
Phuket	33/91	24/75 pc	32/89	23/73 s
Rangoon	34/93	23/73 pc	33/91	21/70 s
Seoul	3/37	-8/16 pc	6/43	-6/22 s
Shanghai	13/55	3/37 pc	9/48	4/39 s
Singapore	32/89	25/77 pc	31/88	24/75 pc
Taipei	22/71	15/59 pc	19/66	11/52 r
Tokyo	15/59	9/34 r	8/46	1/34 pc
Ventiane	23/73	17/62 pc	21/70	14/57 pc

Africa

Algiers	21/70	8/46 s	22/71	9/48 pc
Cape Town	23/73	14/57 pc	23/73	13/55 pc
Casablanca	24/75	13/55 s	23/73	13/55 s
Harare	27/80	9/48 pc	28/82	9/48 s
Lagos	31/88	23/73 pc	31/88	24/75 pc
Nairobi	29/84	12/53 s	28/82	11/52 pc
Tunis	18/61	4/39 s	16/61	7/44 pc

Latin America

Buenos Aires	27/80	14/57 pc	24/75	14/57 pc
Caracas	27/80	19/66 s	29/84	20/68 s
Lima	29/84	21/70 r	26/79	20/68 pc
Mexico City	24/75	10/50 s	24/75	9/48 s
Rio de Janeiro	34/75	21/70 s	34/75	22/71 s
Santiago	34/93	9/48 s	32/89	13/55 s

Oceania

Auckland	22/71	21/70 sh	23/73	12/53 r
Sydney	28/82	20/68 s	24/75	13/55 r

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, Hic, W-Weather All maps, forecasts and data provided by AccuWeather, Inc. © 1997

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Chemical-War Logs For Pentagon Vanish

Veterans Fear Cover-Up on Gulf Ailments

By Philip Shenon
New York Times Service

WASHINGTON — The Pentagon has announced that all full copies of the chemical-warfare logs maintained by the military during the 1991 Gulf War have disappeared, even though copies on paper and on computer disks had been stored after the war in locked safes at two locations in the United States.

In a new report on the missing logs, the Defense Department said that its investigators had conducted an exhaustive search and had been able to track down only 36 pages of the estimated 200 pages of classified logs that were supposed to record any incident in which chemical or biological weapons were detected on the battlefield.

The logs were first reported missing last year, and their disappearance has alarmed veterans who believe they may have been made sick by exposure to chemical or biological weapons.

The report heightened speculation by veterans' groups and members of Congress that there had been either criminal incompetence within the Defense Department — it can be a federal crime to mishandle classified material — or a cover-up.

The report said that the logs, which were recorded on floppy computer disks and on paper printouts, had been shipped after the war from Saudi Arabia to the headquarters of the U.S. Central Command in Tampa, Florida, where they were kept in a safe.

A separate computer disk containing the log information was stored after the war in a safe at the army's Aberdeen Proving Ground in Maryland.

The report said that paper printouts of the logs were made daily during the war as a backup and then filed away at the U.S. military command post in Riyadh, the Saudi capital, but virtually all of that information has vanished.

The report suggested that there was an honest explanation for many of the gaps in the logs: A computer virus destroyed some of the logs during the war, while some of the computer disks and the printouts may have been misplaced in an office shuffle at the Central Command headquarters after the war.

Still, members of Congress said the disappearance of nearly 80 percent of the logs was alarming and suspicious.

"Just incomprehensible," said Senator Arlen Specter, Republican of Pennsylvania. Mr. Specter, chairman of the Veterans Affairs Committee, is investigating Gulf War illnesses. "The Department of Defense is entitled to the benefit of the doubt for a reasonable time, but it's past its quota," he said.

Democrats Will Return $1.5 Million More in Gifts

The Associated Press

WASHINGTON — The Democratic National Committee will return an additional $1.5 million in improper campaign contributions from 77 donors, the party chairman announced Friday.

The chairman, Governor Roy Romer of Colorado, said that the Democrats had made a mistake and that they were correcting it, while instituting new rules to prevent future abuses. The party had returned about the same sum earlier.

"It's a serious amount, but it's a small percentage of the overall amount raised," Mr. Romer said at a news conference.

The Democrats also unveiled guidelines to keep future fund-raising within the law. "Our system broke down and we have fixed it," said Steve Grossman, the party co-chairman with Mr. Romer.

The rules include the following:

- No contributions may be solicited in exchange for invitations to any White House event.
- Fund-raisers must not convey the impression that contributing would result in any government action or policy change. That is a crime and something the Democrats have denied doing.
- No Democratic National Committee event may be held in any government building, except for affairs to honor supporters of the president and party, which may be held at the White House. The guidelines call it "the executive residence."
- People who do attend events at the White House, or at the vice president's residence, or who may have their picture taken with either President Bill Clinton or Vice President Al Gore must be screened in advance.

A document found among the files of a former top deputy to Mr. Clinton suggested that Democratic fund-raisers wanted to reserve seats on Air Force One for donors and arrange White House restaurant privileges. The memo said the purpose was "to reach our very aggressive goal of $40 million."

■ FBI Looks at Gifts to Congress

The Washington Post reported earlier:

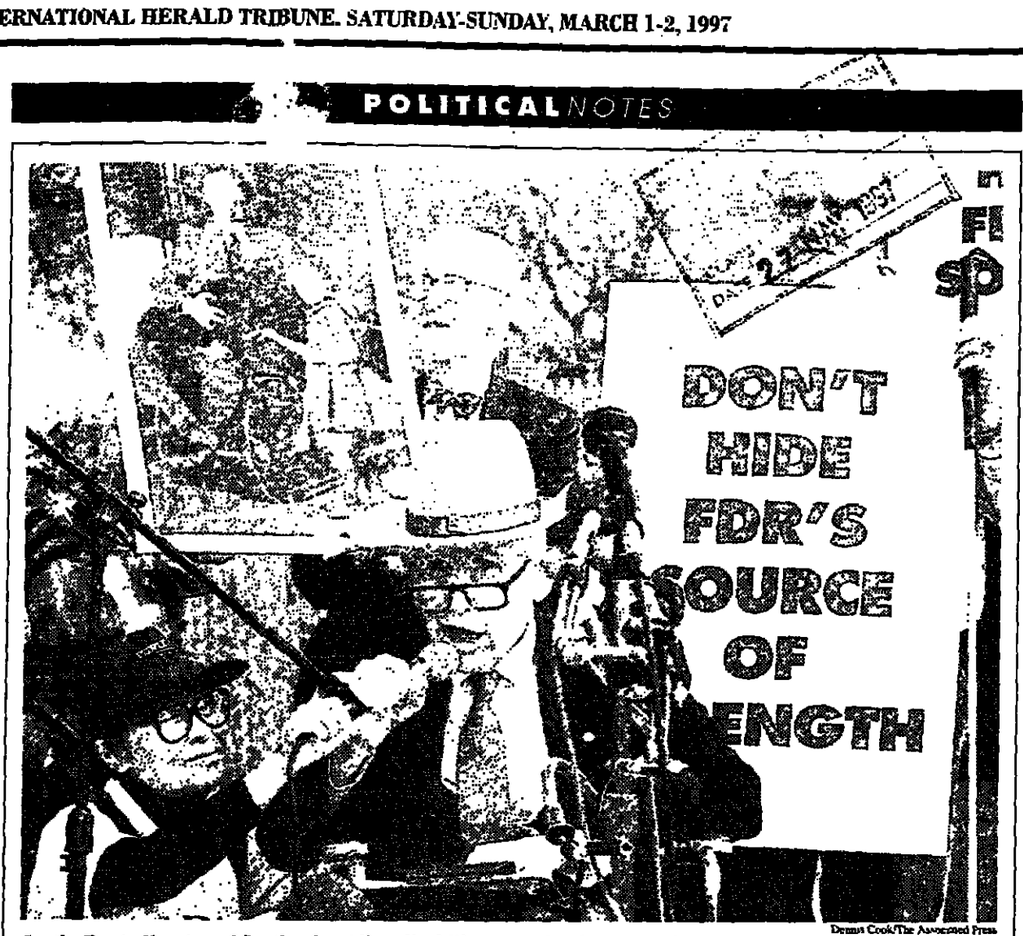
The FBI is investigating whether representatives of the People's Republic of China tried to buy influence among members of Congress through illegal campaign contributions and payments from Chinese-controlled businesses, according to government officials.

The inquiry was started at least several months before the Justice Department created a special task force to examine improper fund-raising practices, including whether Chinese representatives at the embassy in Washington planned to make contributions to the Democratic National Committee before the 1996 presidential election.

A witness who has been interviewed by FBI agents said he was told that a focus of the Justice Department inquiry is to determine whether members of both parties in Congress had been improperly influenced by Chinese officials who may have made illegal payments to them.

The government officials said the FBI had not yet identified specific members of Congress who may have received illegal or improper payments.

POLITICAL NOTES



Dennis Cook/The Associated Press

Justin Dart, director of Justice for All, a disability organization, speaking at a protest rally at the site of a memorial to Franklin D. Roosevelt in Washington. Organizations of the disabled object that the monument's statues of the former president, a victim of polio, will not depict him as a handicapped person.

Clintons' Legal Debts Piling Up

WASHINGTON — President Clinton and his wife have fallen so deeply into debt from their growing legal bills — now topping $2 million — that the legal defense fund they established to pay for their Whitewater expenses charges reporters $2 for lists of donors.

Officials at the defense fund reported on Thursday that donations had slowed to a trickle over the last six months as the legal bills continued to rise. And in a twist that will only complicate their ability to extricate themselves from their debts, the defense fund has now found itself spending tens of thousands of dollars on its own lawyers.

The defense fund has been subpoenaed by investigators from the Justice Department and Congress, and its top executive has recently appeared before a federal grand jury. No one has suggested that the defense fund did anything improper. Still, officials at the White House and the fund acknowledged on Thursday that the fund's poor condition made it all but certain that Mr. Clinton would be unable to pay many of his legal debts before he leaves office. Michael McCurry, the president's press secretary, said Mr. Clinton was "painfully aware" of his growing legal bills.

He said Mr. Clinton had said "he's young and vigorous and expects to be an employable ex-president." *(NYT)*

Olympian View of Financing

OLYMPIA, Washington — In the fumoir at the Spar — a smoky back room in a historic diner dear to politicians and civilians alike in this state capital — there seems nary a whiff of outrage these days to mix with the cigar fumes and cigarette haze thickening at happy hour.

"Much ado about nothing!" declared Casey Clegg, a local accountant, about the latest reports showing that President Bill Clinton was eager to turn the White House into a bed-and-breakfast for big campaign contributors.

Peter Valentine, an unemployed tree-planter who voted Republican last fall, was equally unmoved: "We're not talking Tammany Hall," he said. "It's not a question of bagmen. It's a problem of appearances."

Political cynicism tends to run high in towns like this, a state capital where too many people observe how the sausage is made in the legislature and can, if they are masochistic, watch tipsy lawmakers singing karaoke at The Carriage Inn. The blasé reaction here is not an anomaly, however. A national poll taken Wednesday found that 63 percent of those surveyed believed President Clinton's behavior typical of how the White House is used by both parties, while 22 percent said it was worse. The poll of 627 adults, sponsored by CNN, USA Today and Gallup, also found that 45 percent of respondents did not care about Mr. Clinton's role in the White House sleep-overs, while 27 percent said they were disappointed but not angry.

But if the reaction in Olympia, too, is mainly jaded, there is also a strong conviction that campaign financing must be reformed, and many have already considered how. "I think it should be capped, how much you can spend on a race," said Evangeline Sauls, a nonpartisan clerk in the bill office of the Capitol. "Think of the amount of money they're wasting! They could take care of all the welfare reform they're talking about with the money they spend on a campaign." *(NYT)*

Quote/Unquote

Senator Richard Durbin, Democrat of Illinois, as he introduced a bill to prohibit foreign visitors to the United States from buying or carrying firearms: "Our nation is a terrorist target. We should not be putting guns in the hands of would-be terrorists." *(NYT)*

Away From Politics

- A record 76 percent of U.S. toddlers got their vaccines on schedule in 1995. That is an increase from 1994, when 75 percent of 2-year-olds got their four vaccinations for diphtheria/pertussis, three for polio and one for measles, mumps and rubella, the Centers for Disease Control and Prevention said. *(AP)*
- A lack of economic opportunities for black residents and their poor treatment by the police were the major factors in two nights of disturbances in St. Petersburg, Florida, last fall, the U.S. Civil Rights Commission says. *(AP)*
- In a bid to thwart mature-looking youths under the legal smoking age of 18 from buying cigarettes, new Food and Drug Administration rules require retailers to check anyone appearing to be younger than 27. *(AP)*
- A man who killed two police officers as a teenager in 1978 and was paroled 16 years later as a model prisoner committed suicide in Baltimore when police officers cornered him after they say he robbed a bank. *(AP)*
- Tobacco companies won a victory in federal court when a judge in San Francisco threw out a lawsuit filed by a dozen California counties seeking damages for treating victims of smoking-related illnesses. *(AP)*

Panel Chief To Block Lake For CIA Unless FBI Gives Files

By Tim Weiner
New York Times Service

WASHINGTON — The chairman of the Senate Select Committee on Intelligence says that unless he receives all of the FBI's files on Anthony Lake, President Clinton's nominee as director of central intelligence, he will not hold confirmation hearings for Mr. Lake.

The demand Thursday by the chairman, Richard Shelby, Republican of Alabama, was backed by the majority leader, Trent Lott of Mississippi, and a dozen other conservative Republicans led by Phil Gramm of Texas.

"Unless we see those files, there isn't going to be any hearing," Mr. Shelby said in an interview.

Mr. Shelby said he wanted to see the raw data in the files, not summary reports prepared by the FBI, which he called the equivalent of "a second-grader's 'Weekly Reader'" newspaper.

The demand came hours after it appeared for the first time that Mr. Lake had won support from a majority of the Intelligence Committee.

Two senior Republican members of the committee, Richard Lugar of Indiana and John Chafee of Rhode Island, said Thursday that they would probably vote for Mr. Lake barring some devastating disclosure at the confirmation hearing. Their votes would very likely ensure Mr. Lake's confirmation.

The committee has 10 Republicans and 9 Democrats. All the Democrats are expected to vote to confirm Mr. Lake, who served as national security adviser from 1993 through 1996.

Mr. Lugar, in an interview, said he strongly disagreed with the demand by his fellow Republicans.

"The whole confirmation process has become more and more outrageous," said Mr. Lugar, a senator for 20 years. "People feel it's their duty to engage in character assassination or cause a nominee's defeat or discourage and demoralize them.

"FBI raw files are raw files" and may contain rumor, gossip, hearsay and innuendo, Mr. Lugar said. "They may be true, they may be false, they may be scandalously defamatory," but they should not be the basis for evaluating someone's character, he added.

Mr. Lugar and Senator Bob Kerrey, Democrat of Nebraska and the vice chairman of the committee, said Thursday that they found it particularly troubling that Senate conservatives cited a precedent for the request for the raw files: President George Bush's nomination of John Tower as secretary of defense. When "Tower was nominated for secretary of defense, his complete FBI file was placed in a secure room of the Capitol for members of the Senate to read and evaluate," Mr. Gramm said in a letter he sent Thursday to Mr. Lott.

Mr. Gramm said he and other fellow conservatives would not "permit this nomination to be brought to the full Senate until every senator has had sufficient opportunity to review the totality of Mr. Lake's background, including information contained in the complete FBI files."

In 1989, Mr. Bush sent the Senate a 140-page FBI report on Mr. Tower in an effort to refute hearsay allegations, originally from a conservative spokesman, that the former Texas senator was a drunkard and a womanizer.

After a bitter and partisan battle, during which Mr. Tower conceded he had "broken wedding vows" and promised to swear off alcohol, his nomination was defeated, the first time that had happened to a Cabinet nominee in 30 years.

Mr. Lugar said he was disturbed by the idea that the Tower nomination should be any kind of precedent.

"Perhaps they feel that the example of Senator Tower is outrageous and it is time to simply settle that score," he said. "If that's the case, that's unfortunate. The treatment of Senator Tower was outrageous. To repeat that experience is not good public policy."

U.S. AIDS Deaths Fall Sharply; Therapies Get Some Credit

By David Brown
Washington Post Service

WASHINGTON — Deaths from AIDS in the United States last year fell significantly for the first time since the epidemic began in the early 1980s, federal health officials report.

The decline in deaths occurred in all regions of the country and in all racial and ethnic groups. But the trend was not seen among women or among people infected with the AIDS virus through heterosexual contact. These groups each showed a 3 percent rise in deaths, and they account for an increasing proportion of Americans with AIDS.

Epidemiologists at the Centers for Disease Control and Prevention, which made the announcement, argue that deaths from AIDS are falling for two reasons. The number of infected people who are progressing to AIDS — the advanced, usually lethal stage of the disease — is leveling off. At the same time, better medical therapies are prolonging the survival of patients who are already at that stage.

The total number of deaths from AIDS in the first six months of 1996 was estimated at 22,000, compared with 24,900 deaths during a similar period in 1995, a 13 percent decrease. Although there had been other slight declines for short periods, the decline last year was by far the largest.

The trend appears to have begun in 1995. Only some of the fall can be attributed to the growing use of protease inhibitors, a potent new class of antiviral drugs that did not become widely available until last spring. Protease inhibitors are now commonly used in combination with two other antiviral drugs in what has become known as "triple therapy."

The 13 percent drop in mortality nationwide was unevenly distributed. It was 32 percent among American Indians, 21 percent among non-Hispanic whites, 10 percent among Hispanics, 6 percent among Asians, and 2 percent among non-Hispanic blacks. AIDS deaths fell 15 percent among men.

Worldwide, AIDS deaths continue to rise. Last year, more than 1.5 million died, about 25 percent of all AIDS deaths since the start of the epidemic.

WALL: *FBI Investigates Case of a Memorial That Wasn't Built*

Continued from Page 1

and if he doesn't, he should," said Mr. Baker. "It all happened on his watch."

Mr. Stout said on CBS that his management of the Normandy foundation had been exonerated in an audit by the Price Waterhouse firm. Price Waterhouse said there was no audit, and no exoneration.

Mr. Stout said that an inquiry by the U.S. General Accounting Office had cleared his name. Declaring that the foundation had been "carefully and properly run," he said he was the victim of "a witch hunt."

The General Accounting Office report, dated Nov. 4, 1994, spoke of an indebted organization "plagued with upper management problems." Of $2.5 million that veterans, corporations and others sent in for the Wall of Liberty project, the agency reported, $1.1 million was used to pay for other projects and operating expenses.

The FBI has subpoenaed large numbers of documents from the foundation as part of an inquiry that began five months ago, said Pierre Salinger, the former ABC newsman whom Mr. Stout recruited as volunteer chairman of the group.

Mr. Baker said the foundation was cooperating fully with the FBI inquiry, and added: "The FBI investigation obviously is looking for something more than negligence or mismanagement. They're looking for criminality. Whether they'll find it or not I have no idea."

Mr. Salinger said that the Internal Revenue Service was investigating as well; that agency would not comment.

Mr. Stout insisted on "60 Minutes," and later in a faxed statement, that he had done nothing wrong.

No one has publicly or officially accused Mr. Stout of anything beyond poor management. Mr. Salinger speaks of "desperate mistakes in overspending."

Stan Kaplan, a North Carolina publisher who examined foundation spending while serving as its chief financial officer, contended that the foundation had spent extravagantly under Mr. Stout.

Mr. Stout's office, contacted this week, said he was traveling and could not be reached. It provided a three-page statement that did not directly address charges of mismanagement, but blamed those who succeeded him at the foundation for changing its fund-raising approach, with poor results.

"The foundation has not sought to revive the successful membership fund raising," it said, "and therefore has been without any new funds to complete its projects."

The statement asserted that more than "2,000 registrations and donations later received by the Foundation for the Wall were put in storage, unopened and unanswered."

Mr. Baker said that the foundation had stopped accepting individual donations for now because of the debt problems.

Although the foundation is private, it received $3 million in federal funds from the sale of commemorative coins, in addition to the $2.5 million raised — much of it in $40 donations from vets and their relatives — specifically to build the Wall of Liberty.

That was just one of several projects promoted by the foundation since it was incorporated in 1985. They included the memorial garden in Caen, a statue of General Dwight Eisenhower in Bayeux, and a so-called Freedom Tour — an educational tour of war memorabilia that was to cross the United States.

The Eisenhower statue was erected, though the sculptor, Robert Dean, says he is still owed $30,000.

The garden was inaugurated almost three years ago, just in time for the 50th anniversary of D-Day. The Canadian portion opened last year; the British have laid their first stone.

The American part, which covers about one hectare (2.5 acres), includes a granite fountain shaped like a pair of welcoming hands. The landscapers and other contractors are still owed more than $400,000, and some, said Mr. Belin, are in financial difficulty as a result.

And there is, of course, no wall.

Of the 25,000 to 40,000 Americans who visit Le Memorial each year, Mr. Belin said, many ask about the wall and leave "extremely disappointed."

He finally obtained from the foundation a list of the names that were to have been engraved on the wall. When visitors ask about the wall, they are shown the list.

"That way," Mr. Belin said, "I can show them that the Normans have not forgotten them. Normandy has a moral debt to the Americans."

BOOKS

SPIRITS OF THE ORDINARY
A Tale of Casas Grandes

By Kathleen Alcala. 244 pages. $22.95. Chronicle Books.

Reviewed by
Carolyn Ruff

KATHLEEN Alcala's first novel is a tale of worlds that converge but are never in harmony, a saga of unmet expectations and deflated dreams. With a classic Latin flair for combining heartbreak and magic, Alcala writes of love and spirituality and how they nearly topple the Carabajal family.

Set in the 1870s, "Spirits of the Ordinary" moves from northern Mexico to the western United States. This is a time and place when relations are tenuous among just about every race, social class and individual. The author uses this pervasive unrest — Mexican troops are stationed in the town of Saltillo, workers at nearby mines are revolting, the powerful are nervous, the locals are wary — to reinforce specific issues that are splintering the Carabajal clan.

With a nod to supernatural forces and inexplicable occurrences, the novel is written in a whimsical tone. But, stripped of this ethereal glow, the story is rather grim. At the center of the familial maelstrom is Zacarias, who is married to a long-suffering wife from a prominent family in their Mexican town. He and Estela have a beautiful house, loving children, financial security.

But two things prevent Zacarias from enjoying his life. One is that he is more interested in searching for gold than in being a responsible husband. The other is the secret that he is Jewish, which he learns only when he is old enough to understand the consequences. His religion is not a paralyzing issue in his life — in fact, he hardly seems aware of it. It is important to the townspeople, however, that their lives not be threatened by "an outbreak of heresy." For this reason, Zacarias's family has concealed its beliefs for generations.

It takes a while to warm up to this novel. Initially there is little to lure the reader into the plot. The story begins with the marriage's end. Estela yells at Zacarias, "Why can't you be like other men?" and sees in his face "a mixture of hurt and stubbornness that seemed more and more to characterize their entire marriage."

To Estela, Zacarias only seems intent on emptying the family till. He does not attempt to defend himself, which only makes the accusation ring true. The reader can see that he is not evil, only preoccupied, driven by an unseen force to pursue his dream of gold.

Once Zacarias disappears into the desert, his and his wife's lives become separate tales. Estela, considering herself a widow, falls for a soldier. Fed up with her wayward husband and reveling in her newly born passion, she dismisses her Catholic upbringing and the gossip of neighbors. Although happier than she has ever been before, she begins to loosen the knot holding her family together.

Zacarias's parents fill in another piece of the Carabajal family puzzle. As closet Jews, the couple quietly hide their heritage. Zacarias's mother is the loving force behind her son, even though she has not uttered a word since she came down with a mysterious illness as a child; his father has devoted himself to his books.

Zacarias's path determines the fate of everyone in the family. He wanders into the arms of a rich businesswoman with a taste for men but leaves her to go on a spiritual quest and unwittingly becomes a kind of savior for the nearby indigenous people. Beyond rational explanation, Zacarias has become a wise man with extraordinary powers.

This is the beauty of the novel. In the midst of a dreary reality emerges the strength of blind faith. Alcala lets her characters find solace through their belief in something beyond their immediate world. Her message seems to be that happiness for the ordinary can be found by having faith in the extraordinary.

Swirling together themes of love, family and spirituality, Alcala echoes the style of Isabel Allende and Laura Esquivel. She does not yet have the voice of these preeminent writers, but there is the promise that one day she will. Meanwhile, she offers a poignant tale wrapped up in magic.

Carolyn Ruff, a writer based in Washington, wrote this for The Washington Post.

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Seoul Leader Appoints New Advisers

Kim Seeks to Restore Credibility in Wake of Loan Scandal

Reuters

SEOUL — President Kim Young Sam of South Korea on Friday began a sweeping shake-up of his administration aimed at restoring his political credibility damaged by a loan scandal.

Mr. Kim replaced his chief secretary and three other senior advisers responsible for political, economic and general affairs, a presidential spokesman said.

"This is the start of a major reshuffle in the government and the ruling party," he said. "The cabinet reshuffle is expected early next week."

The former home affairs minister, Kim Yong Tae, who served four terms in Parliament, will succeed Kim Kwang Il as chief of staff at the presidential palace, the Blue House.

The members of Mr. Kim's Blue House inner circle, along with the entire cabinet and the ruling New Korea Party's leaders, had offered to resign after the president on Tuesday apologized and took responsibility for the loans-for-kickbacks scandal.

The chief Blue House political officer, Lee Won Jong, was replaced by Kang In Sup, a former member of Parliament and journalist.

The aide in charge of economic affairs, Lee Suk Chae, stepped down in favor of Kim In Ho, the head of the Fair Trade Commission.

South Korea's presidential system concentrates power in the Blue House, and Mr. Kim's aides have wielded great influence over policy. The chief presidential secretary's position is described by some newspapers as a "vice presidency behind the facade."

Political analysts said the president appeared to be fighting to regain his credibility and avoid being labeled a lame duck in his last year in office. The constitution bars presidents from seeking a second term.

■ Unionists Stage 4-Hour Strike

Tens of thousands of unionists staged a four-hour strike to protest the slow pace of legislative negotiations on changing a disputed labor law, The Associated Press reported.

The strike was called by the Korean Confederation of Trade Unions, the outlawed union umbrella group responsible for a three-week strike that had crippled the nation's industries last month.

The unionists want the changes to be completed by midnight Friday, before the disputed law, adopted in December, takes effect Saturday.

The Associated Press

Kim Yong Tae, who became chief of staff to South Korea's president Friday.

The confederation said 131,000 workers, belonging to 107 unions, took part in the four-hour strike. But the Labor Ministry said only 32,000 walked off their jobs.

In China, 'Political' Crimes Make Way for 'Sedition'

The Associated Press

BEIJING — China's legislature said Friday it would discuss eliminating political crimes long used to suppress dissent, a change human rights groups immediately described as cosmetic.

The National People's Congress, which opens its annual session Saturday, will deliberate amending the 17-year-old criminal law. One change will replace "counterrevolutionary" crimes with "crimes jeopardizing state security," a spokesman for the congress, Zhou Jue, said.

The much debated move would bring China's legal code closer to international standards. Although counterrevolution was once commonly used to punish political foes, the Communist Party has in recent years preferred the vague State Security Law.

The opposition activists Wei Jingsheng and Wang Dan, both previously jailed for counterrevolution, were rearrested and sentenced in the past 15 months for sedition.

Those cases indicate that amending the law will not bolster lawful dissent, Human Rights Watch/Asia and Human Rights in China said in a joint statement. The New York-based groups said evidence presented at the trials of Mr. Wei and Mr. Wang showed the pair were engaged in peaceful advocacy for democratic change.

Other changes to the criminal law will help fight against corruption, stiffen guidelines on reducing sentences and make sure that punishments fit the crime, Mr. Zhou said.

The 2,901-member congress meets every year for about two weeks to pass laws and review work reports by the prime minister and the economic planning and finance ministers and other top government officials.

"While some of the other legal reforms that the NPC is expected to enact may represent genuine advances in criminal justice, the removal of 'counterrevolution' statutes does not appear to be one of them," the human rights groups said.

To make the amendment meaningful, the groups suggested that the congress narrowly define national security interests and broaden limits for freedom of expression and information.

■ China Weighs Rights Accords

China said Thursday that it was "positively considering" signing two covenants on human rights that would oblige Beijing to report on the protection of civil liberties on the mainland and in Hong Kong after it reverts to China on July 1, The New York Times reported from Beijing.

In the first such statement by a government spokesman, Tang Guoqiang said Thursday, "We are positively considering the two United Nations covenants on human rights."

In private diplomatic conversations, China has expressed a willingness to sign the covenants as part of a deal that would require the United States and the European Union to drop their support for a resolution calling for an investigation into human rights abuses in China.

But Thursday's statement was a sign that the Communist leadership is considering making a deal to free political prisoners and to reopen talks with the Red Cross on prison visits to assess the treatment of thousands of prisoners of conscience, including those in Tibet.

BRIEFLY

Big Quake Kills 80 In Western Pakistan

ISLAMABAD, Pakistan — A powerful earthquake shook southwestern Pakistan for nearly a minute Friday, killing at least 80 people and injuring dozens of others when their mud dwellings caved in, government officials said.

The quake, which measured 7.3 on the open-ended Richter scale, struck near Quetta, about 650 kilometers (400 miles) southwest of Islamabad.

The U.S. Geological Survey in Golden, Colorado, said the quake was centered 70 miles east-southeast of Quetta, a city of about 200,000 that is the capital of Pakistan's least populated province, Baluchistan. The dead and wounded lived in the remote outskirts of the city. *(AP)*

Political Activist Is Slain in Jamaica

KINGSTON, Jamaica — Two gunmen killed a Jamaican political activist as he supervised a drainage project in Kingston, the police said Friday.

The men approached the activist, Clinton (Jingles) Davy, 47, on Thursday afternoon and opened fire after a brief exchange of words, killing him instantly. A crowd quickly gathered at the scene.

Mr. Davy, who had interests in horse racing and the local music industry, was a controversial figure in the governing People's National Party. He unsuccessfully challenged the Labour Party leader, Edward Seaga, for his Kingston constituency in 1989, and made an unsuccessful run for a different seat in 1993.

He often embarrassed the party's leadership with his fiery rhetoric. But both the party and Mr. Seaga expressed deep regret at his killing, citing his work to bring peace to the capital's troubled downtown communities. *(Reuters)*

Chlorine Gas Fells 19 At 2d Mall in Sydney

SYDNEY — Poisonous chlorine gas injured 19 people and forced the evacuation of more than 500 shoppers Friday in the second such attack at Sydney shopping center this week.

The Eastgate Shopping Center filled with chlorine fumes shortly before 11 A.M., fire department officers said. The authorities discovered the gas coming from a glass jar on the floor in the middle of the complex. The authorities did not disclose any possible motives for the attack.

On Wednesday, four people were treated for minor respiratory problems after a chlorine gas device went off in the Randwick Village shopping center. Chlorine gas is a strong irritant that forms an acid when mixed with water. *(AP)*

Bombing Suspects Arrested in China

BEIJING — The police have arrested suspects in the bombing of three buses in northwestern China, an official said, as the death toll rose to three and Beijing ordered a nationwide clampdown on explosives.

The bombs struck buses traveling in different parts of Urumqi, the capital of the Xinjiang region, almost simultaneously Tuesday.

A Communist Party official in Xinjiang said that at least three people were killed in the bombing, including a child. He said that several other people were severely wounded.

But residents in Urumqi reached by telephone and tourists arriving in Beijing said rumors were circulating that the death toll was several times higher. *(AP)*

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Thais Are Accused of Forcing Hundreds of Refugees Back to Burma

The Associated Press

BAN TAKO BON, Thailand — Brushing aside international protests, the Thai Army has sent several hundred refugees back to Burma, where they risk being caught up in a major government offensive against ethnic Karen rebels.

Reversing a decades-old policy of sheltering refugees from Burmese conflicts, Thailand has forcibly repatriated an estimated 5,000 Karen refugees this week, aid workers along the border say.

The U.S. government and human rights groups have protested the expulsions, but the Thai military denies they are taking place.

Women, children and the elderly now make up the 2,300 ethnic Karen refugees who survive on grains of rice and vegetables inside the makeshift Pu Nam Rawn camp at an abandoned tin mine just inside Thailand.

Absent from the camp and others along the border with Burma are young and middle-aged men, shipped back across the border by military officials who accuse them of being Burmese guerrillas.

Nearly 15,000 refugees had arrived in Thailand since Feb. 11, fleeing a Burmese Army offensive aimed at wiping out the Karen National Union, a guerrilla army that has fought for autonomy since 1949 but now numbers less than 1,500 fighters.

A victory over the Karen would give Burma control of its border with Thailand for the first time in its history.

In Pu Nam Rawn, the military on Tuesday and Wednesday separated out all males 13 and older and trucked them back to Burma. Relatives and aid group workers charged that women and children were being forced back, as well.

"No, no, no," said Christable Paul, whose 15-year-old son, Thaser, was among several hundred people trucked back. "He is a schoolboy, not a soldier." the health worker said as she wept. "They do not have any experience, they do not know how to fight."

Nor do they have any weapons with which to defend themselves, she said.

With the Burmese Army treating Karen territory as a free-fire zone and refugees recounting tales of executions and gang rapes of innocent villagers by Burmese troops, the prospects for the young men's survival are bleak.

Though some admittedly were rebels, the refugees contend most were not. Now their only hope may be to join the thousands of other Karen who, failing to make it to Thailand, are hiding in the Burmese jungles.

Aid workers said the Burmese and Thai governments stand to gain economically from an end to the Karen insurgency.

For example, a $1.2 billion natural gas pipeline owned by the Burmese government and French and U.S. oil companies is being built through Karen territory to sell gas to Thailand. The rebels have vowed to destroy it.

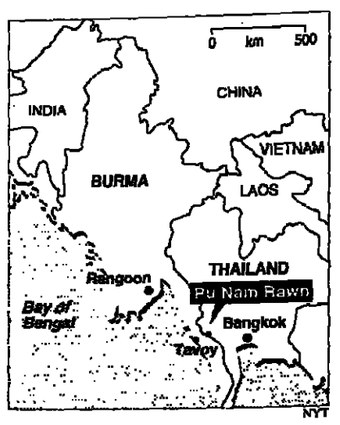
"I feel very bad for these Karen," said Samor Suphap, a corn farmer and militiaman in Pu Nam Rawn. "The Burmese soldiers are very cruel, raping and killing anyone. If the Karen go back, they are as good as dead."

■ State Department Protests

The U.S. State Department has demanded that Thailand immediately stop the forcible repatriation, calling the situation "very difficult and tragic" Reuters reported from Washington.

The State Department spokesman, Nicholas Burns, said Washington was "deeply concerned" about the actions of the Thai Army in repatriating about 900 Karen women.

But Major General Thaweep Suwannasing, chief of the 9th Army Division, denied that people were being sent back. "There is no such forcible repatriation as they charge," he said by telephone. "The soldiers under my command have assisted hundreds of refugees, especially women, children and elderly people."



Building Project Reopens The 'Battle for Jerusalem'

Army and Palestinians Appear to Gear Up For Clashes Over New Jewish Neighborhood

By Joel Greenberg
New York Times Service

JERUSALEM — For a few tense moments, violence seemed about to erupt Friday on the pine-covered hill in East Jerusalem where Israel announced this week that it would build a Jewish neighborhood over Palestinian objections.

As hundreds of Palestinians from the adjacent village of Um Tuba attended a Friday prayer protest on a soccer field at the foot of the hill, a group of women and youths who streamed up the hillside scuffled with Israeli border policemen.

"This is our land, and we're not going down!" an angry teenager shouted in Hebrew at an Israeli officer who negotiated with village leaders to disperse the youths.

Sara Abu Teir, 63, sat on the scrub-covered, rocky soil with other women and insisted that she would not be moved. "We have nothing but this mountain," she said. "We'll throw stones, we'll die for our land!"

The incident ended peacefully as both sides drew back, but it seemed to be a taste of things to come, an example of how the remote, empty hill on the southeastern outskirts of Jerusalem has been transformed into a flashpoint of tensions since the Israeli government's decision last Wednesday to build there.

The move immediately reopened what both Israelis and Palestinians call "the battle for Jerusalem," perhaps their most difficult dispute, which is supposed to be decided in negotiations on a permanent peace settlement. Israel asserts that all of Jerusalem is its eternal capital, while the Palestinians claim East Jerusalem as the capital of their hoped-for state.

Palestinians have been demonstrating peacefully near the hill daily, but groundbreaking work, expected to start in two weeks, could provoke much harsher protests.

Known to Arabs as Jabal Abu Ghneim and to Israelis as Har Homa, the hill was bristling Friday with soldiers and police officers, who massed to block demonstrations there and at Al Aqsa mosque in Jerusalem's Old City after the Friday Muslim prayers.

On one side of the hill just inside the West Bank, Israeli soldiers in full battle gear lay behind rocks, one of them manning a machine gun.

A checkpoint nearby was fortified with sandbagged firing positions, and a field headquarters had been set up at the site.

The army appeared to be taking no chances, applying the lessons of the deadly clashes last September in which Palestinian police officers fired at Israeli troops.

That fighting had been set off by the opening of a new exit to an Israeli archaeological tunnel near Muslim shrines in Jerusalem's Old City, and the army fears that the new neighborhood on the hill could set off similar unrest.

But prayers ended quietly Friday at Al Aqsa and at Um Tuba, where villagers said they did not want violence, only a peaceful show of resistance to the new neighborhood, which they say will be built partly on land seized from them and from neighboring Palestinian communities. A village of 2,500 people, Um Tuba has been unable to expand onto the disputed hill since it was expropriated by the Israeli authorities in 1991.

Residents complain that their village is flanked on three sides by Israeli and Arab communities, and that the construction of the new Jewish neighborhood will deny them reserves of land for natural growth. Even the soccer field, they say, has been expropriated for the new project.

Palestinian political leaders assert that the project is part of an Israeli plan to isolate East Jerusalem from the Arab communities around it, completing a ring of Jewish neighborhoods built in areas of Jerusalem captured by Israel in the 1967 Arab-Israeli war.

Nati Shohat/Reuters

Palestinians during prayers Friday on the disputed hill in East Jerusalem where Israel plans dwellings for Jews.

Mexico Seizes Leader of a Cocaine Cartel

The Associated Press

MEXICO CITY — As U.S. officials struggled Friday with the decision of whether to recertify Mexico as an ally in the war against drugs, Mexican officials announced the capture of a drug lord whose cartel has been held responsible for tons of cocaine entering the United States.

Oscar Malherbe de Leon, head of the Gulf Cartel, was once ranked as Mexico's second most powerful drug smuggler.

A government statement came as President Bill Clinton met with advisers on whether to certify the drug programs of Mexico and 31 other countries.

In the statement, which did not say when Mr. Malherbe was captured, the authorities said public prosecutors were preparing a number of charges against him, including drug trafficking and possession.

The government said that when federal and military police stopped Mr. Malherbe's luxury car, the drug lord offered them $2 million to avoid arrest. The government said he was carrying a .45-caliber pistol.

The arrest was another blow for the Gulf cartel, which grew from a backwoods marijuana operation into a booming cocaine smuggling outfit under its now-jailed kingpin, Juan Garcia Abrego.

According to the statement, Mr. Malherbe assumed the cartel's leadership after the 1996 arrest in Mexico of Mr. Garcia Abrego, who was taken to Houston and convicted in last fall by a U.S. court of smuggling 15 tons of cocaine into the United States.

WALES: *Grim News for Tories*

Continued from Page 1

home that some inheritance money and the proceeds of a thriving housecleaning company he owns had enabled him to buy.

"After all these years, the Conservatives have no credibility left," he said of the party he had always voted for until converting to Labour this year. "I run a business, and a lot of my friends and clients are upper-middle-class-type people, small-business men and managers. You could say that the Conservatives aren't people we would want to employ anymore."

It is in places like Barry, suburban communities of the young aspiring classes that have traditionally voted Conservative, where the 1992 American campaign truism "It's the economy, stupid" has landed in Britain with a contrarian thud.

Prime Minister John Major has repeatedly predicted that in time the electorate will grow to appreciate the economic success of the Tories and that the persistent double-digit lead that Labour has been enjoying in polls will start to decline. But so far he has been proved wrong as economic indicators continue to reflect robust growth and Labour's lead only widens.

Tony Blair, the Labour candidate for prime minister, has successfully transformed his party into a centrist movement that has abandoned its socialist past, reduced its dependency on trade union financing and broadened its membership to marginalize the influence of left-wing factions that have cost it past elections.

Eager to shed its reputation for radicalism, Labour has limited its proposals for change to constitutional reform of the House of Lords and proposals for considering the establishment of legislatures in Wales and Scotland.

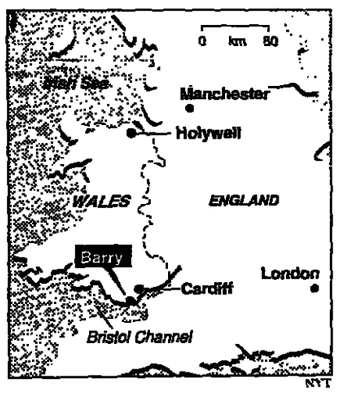
The party has promised that it will stick to projected Conservative spending limits for the next two years and not raise personal income taxes for the next five. All this is being done in the name of presenting itself as "New Labour," a party that voters can trust with governing the country.

Cardiff's business district rises comfortably next to the city's imposing civic center, tree-lined avenues, ceremonial gardens and pools and a domed city hall surmounted by a Welsh dragon and a lofty clock tower.

In the office of King Sturge & Co., the international property consulting concern, Robert Croydon, the regional managing partner, said, "You might ask how can we identify with a party called Labour since we are the ones who pay wages."

He handed a visitor a company report calmly assessing a Labour government's effect on its business as "mildly beneficial." He said Mr. Blair had succeeded in eliminating the "bogeys of spending and taxation" from the minds of business-minded voters.

Past Labour leaders, he said, "had no hope of getting across the threshold of Stratford Place," referring to the address of the company's London headquarters. "If Tony Blair turned up, he'd be invited in for tea and a chat."



At a gathering of Welsh Conservatives last week, William Hague, the member of Mr. Major's cabinet responsible for Wales, told the dwindling faithful that "the prospects for Wales are the best they have been in a generation."

It was not lost on commentators that the town the conference was held in, Holywell, is a shrine where Welsh pilgrims have traditionally gone seeking miracles.

Jonathan Player/The New York Times

Keith Martin Doust and many others have turned against the Conservatives.

MAJOR: *Tory Leader Sees Defeat 'if Opinion Does Not Change'*

Continued from Page 1

what many pundits insist that the Wirral South by-election demonstrates concretely, is that the electorate has now lost its fear of Labour. Voters seem to have accepted Labour's three-year slog toward the political center, and its embrace along the way of such conservative tenets as free enterprise, and even tight government budgets.

On Friday the architect of that transformation, the 43-year-old party leader, Tony Blair, pledged that there would be "no going back to the past; no out of date dogma of the right or left."

Having, as a result of Thursday's defeat, lost their majority in Parliament, the Conservatives can now rule only with the nine votes of the Ulster Unionists.

Mr. Blair called on Mr. Major to stop "dithering" and name the election day. Mr. Ashdown lambasted the prime minister for clinging to power: "I suspect that when finally we get him out of Downing Street slivers of his fingernails will be found on the doorknob of No. 10."

DRUGS: *U.S. Policy Reaps Resentment*

Continued from Page 1

would begin a hemisphere-wide campaign to protest the U.S. certification process and "re-evaluate its entire relationship with the United States."

The main problem in certifying Colombia is President Ernesto Samper. U.S. officials have made it clear that they believe that Mr. Samper received $6 million from the Cali cocaine cartel for his 1994 presidential campaign. But even Mr. Samper's opponents find little reason for the certification process.

"The most sensible thing would be to eliminate certification," said Enrique Santos, a leading anti-Samper figure who is editor of El Tiempo, the nation's largest newspaper. "Conceived as a club to beat into line the drug-producing and -exporting nations, it has become a hateful, arrogant and imperial practice that has not reduced drug supplies. It is based on the false premise that the United States can solve its drug problems outside its own borders."

And senior Colombian police officials said that while the intent of decertification might be to castigate Mr. Samper, it was interpreted here as a condemnation of all anti-narcotics efforts. "What can I tell my men?" asked one senior official who leads drug raids.

In Mexico this year, the annual "certification war," as Mexicans call it, was in fact proceeding peacefully until the head of its federal drug agency was arrested and accused of collaborating with the country's top narcotics smuggler.

The revelation that corruption had spread to such a high level prompted U.S. officials to reconsider, in a highly public way, whether Mexico deserved the routine stamp of approval it has received since Congress mandated the certification process in 1986 — with the avowed intent of stiffening executive pressure on countries where drug trafficking is rampant.

The current questioning contrasts starkly with the last half-dozen years, when U.S. officials, in view of Mexico's potential as a partner in the North American Free Trade Agreement, played down growing evidence of high-level narcotics-related corruption and of the country's drug cartels having begun to rival Colombia's for power.

The cheerleading began to fade with the December 1994 currency crisis and the U.S.-orchestrated bailout of $50 billion that kept Mexico solvent. Even then, Clinton administration officials were quick to point out that Mexico paid the loan back, and ahead of schedule.

But U.S. determination to see Mexico's good side seems to have cracked since Feb. 18, when General Jesus Gutierrez Rebollo was charged with corruption after 10 weeks as head of the National Institute to Combat Drugs, a period during which high U.S. officials lauded him as an honest anti-drug zealot.

In fact, most Mexicans seem aware of how pervasive corruption has become. On some days, every article on the front pages of the country's leading newspapers is about drugs, the influence of the cartels and the protection that traffickers receive from law enforcement and other officials.

But criticism from a foreign power — particularly the giant to the north — offends the strong sense of nationalism of most Mexicans, who think the United States should clean up its own house before passing judgment on others.

BOSNIA: *As Violence Continues, International Groups Start to Weary of Ethnic Hatred*

Continued from Page 1

And the Spanish peacekeeping force stationed here, which lost 17 soldiers in the Bosnian war, recently received orders from Madrid to avoid violence, senior NATO officials say. Those commanders say Spanish patrols, which have been fired on twice this month, have begun turning away when confronted by groups of armed Croats.

Mostar, a city split down the middle between ethnic Croats and Muslims, has always been one of the country's most visible and dangerous fault lines. But its current crisis, rather than an anomaly, exposes what by general agreement is the failure of the international effort in Bosnia.

The World Bank spent only a third of the $1.8 billion it raised for Bosnia because of repeated failures to institute economic reforms or honor the terms of the peace agreement. And the United Nations High Commissioner for Refugees was only able to raise a third of the money it solicited for this fiscal year because of what refugee agency officials described as "donor fatigue."

"We have been abandoned," said Ivan Prskalo, the Croatian mayor of West Mostar. "The European Union rebuilt the infrastructure but didn't give us the money to maintain it. International aid has virtually ceased. Things are beginning to fall apart. We are in crisis. The world needs to come back and finish the job."

But the days when the international community saw this as their job are over. International officials say that at best, Bosnia will limp along with a tense partition, as in Cyprus, and at worst will plunge again into war.

Mostar saw savage fighting in 1994, when Muslims and Croats battled house to house, leaving some 2,000 dead and the city's center a desolate, gutted wreck. Muslims are now bottled up on the eastern bank of the Neretva River, which divides the city; the Croats control the west and access to Croatia and the coast. Nervous Croatian and Muslim troops eye each other along the opposite banks, often just a few hundred yards apart.

The Croatian construction activity along the dividing line speaks volumes about the attitude of confrontation that prevails here. The Croats have filled in the windows in the old high school and several other roofless hulks with cement blocks. But the builders have left narrow gun slits in each bricked-up frame.

Abandoned Muslim homes in the no-man's land west of the river, although already heavily damaged, are flattened in nightly explosions.

And in defiance of the outside world, the Croats in West Mostar have renewed a campaign to evict the dwindling and elderly population of some 3,000 Muslims from their sector.

In late November, Croatian police seized the municipal building, renovated with a half-million dollars of EU money, and have locked out the Muslims, who under the federation agreement should share offices with them. West Mostar officials refuse to speak or meet with their Muslim counterparts.

On Feb. 10, Croatian police officers opened fire on a peaceful crowd of Muslims who walked into West Mostar to visit a cemetery during the Muslim holiday of Eid al Fitr. Spanish troops, stationed at the crossroads where the shooting took place, withdrew moments before the firing began and ignored pleas by unarmed UN police observers who witnessed the attack to return to restore order, according to an internal International Police Task Force report.

The UN police monitors have released a series of color photographs showing Croatian police officials, including West Mostar's deputy police chief, Ivan Hrkac, firing pistols at the fleeing Muslims. But they have been unable to get the Croats to remove the police officers, who killed one man and left more than 20 wounded.

The Bosnian Croat leadership, who defend the police action, say the Muslims were carrying knives and were preparing to "attack Croatian children."

North Atlantic Treaty Organization officials say the orders they get from Washington and most European capitals is to maintain the current cease-fire and stay out of disputes that could draw peacekeeping soldiers into a local conflict. This greatly emboldened the defiance of militants on all sides.

"The situation has become ludicrous," said a senior Western official in Mostar. "We are handing out pictures of Croat police shooting women in the back and nothing is done. It illustrates how weak and futile our presence has become. It exposes where not only Mostar but Bosnia and Herzegovina is headed."

The Muslims, who say the shooting is too egregious an act to ignore, warn that it will end their attempts to reach out and build a united city and a workable federation government.

Governor in Mexico To Sue U.S. Paper

Reuters

MEXICO CITY — A Mexican state governor accused in a New York Times article this past week of having links to drug-trafficking said that he planned to sue the newspaper in Mexican courts.

"Governor Manlio Fabio Beltrones has decided to sue in civil and penal court the newspaper The New York Times (and) the reporters Samuel Dillon and Craig Pyes," the government of Sonora state said in a statement Thursday.

Mr. Beltrones would also sue "the foreign individuals and organizations and the agents of the Drug Enforcement Administration (DEA) quoted in the article, who provided this news medium with false and baseless information," the statement said.

Mr. Dillon, one of the newspaper's Mexico-based correspondents, declined to comment.

The governor of Morelos state, Jorge Carrillo Olea, said Wednesday that he was planning to sue the newspaper.

Revolution in Egypt: Smiling Women and Other Mysteries

International Herald Tribune

NEW YORK — Some 3,350 years ago, the most extraordinary drama began to unfold in Ancient Egypt. A young king who ascended the throne around 1353 B.C. under the name Amenhotep IV, experienced a spiritual illumination in circumstances unknown to us. In what had hitherto been a polytheistic culture, the king became convinced that God is one, all powerful and invisible behind the veil of the physical world.

How profound this impact was on the course of Egyptian culture can be surmised from the new art that emerged suddenly and is on view at the Metropolitan Museum of Art until March 14 in one of its most remarkable aspects, the images of "The Royal Women of Amarna."

That the king was aware of the turmoil he would provoke is clear enough. He declared himself to be no less than God's messenger. In one of the most gripping sections of the exhibition catalogue, James P. Allen, the American historian of Egyptian religion, quotes this text engraved on a stela from El Amarna, as it is called today: "My Lord promoted me so that I might enact His teaching."

The young king soon burned his boats. He changed his name, Amenhotep, which means "Amen/Amun [the sun god] is content," to Akhenaten, "Light in the Sun Disk [Aten]." God was henceforth symbolized by the sun disk. After a terrible experience of which the nature is not made explicit, Akhenaten decided to transfer his capital from Thebes to the new location. It would be called Akhetaten, "Horizon of the Sun Disk."

Of the arguments that broke out in the king's inner circle over that emplacement, the echo rings out in the stelae that have the king say: "Nor shall the king's Principal Spouse say to me: 'See, there is a good place for Akhenaten somewhere else.'"

The king went further. Some time between the 8th and 12th year of his reign, the old religion was banned, the plural word "gods" erased from monuments throughout the land as a blasphemous affront to God's unicity.

Precisely how the new religious orientation was conveyed to the artists is not known. Dorothea Arnold, the curator

SOUREN MELIKIAN

in charge of the Egyptian department to whom credit goes for the marvelous idea of putting together the exhibition, notes the new fluidity with which the bodies were rendered, the fleshiness of the features, an overall sensuousness that all contrast with the style cultivated at Karnak under Amenhotep III.

She accounts for this by assuming that artists with a different background from their predecessors at Karnak were recruited. It seems plausible. But the transformation of Egyptian art from one reign to the next was not just a matter of stylistic difference, as Arnold admits when she speaks in the catalogue of an "artistic revolution."

A new spirit ran through Egyptian art. The smile so subtly suggested in the brown quartzite portrait of Nefertiti from Memphis, or another brown quartzite portrait of her found in the workshop of the sculptor Thutmose at El Amarna have no real parallel in earlier times. It conveys an ineffable contentment, the mix of exultation and serenity of those on whom revelation has descended. The same kind of expression illuminates the features of a young princess whose head carved in yellow quartzite was also recovered from Thutmose's workshop, or in the gesso mask of a young woman. Even if a whole range of nuances, from happy youthful serenity to radiance can be detected, these are like a hallelujah carved in stone.

There was another side to the new art and it is the combination of the two that makes the Akhenaten period as intriguing in visual terms as it is for its religious upheaval. A whole series of three-dimensional portraits display the most penetrating psychological insight ever in Egyptian art or, for the matter of that, in any art at all. It is as if sculptors who had until then concerned themselves with creating timeless icons had suddenly discovered the fascination of probing human thoughts and feelings.

Few faces in world sculpture are quite as arresting as the head of the aging Queen Mother Tiye carved out of yew wood. The weariness in the slanting eyes, the skin of the cheeks pulled down by advancing years, the pout of the mouth twisted by exhaustion, are not easily forgotten. Nor are the red quartzite head of Queen Tiye, and its plaster version found, again, in Thutmose's workshop.

But even that pales in comparison with the limestone statuette of Nefertiti that lay broken in different corners of the workshop. This is a sculptor's study made for his own sake. A black line across the chest, over the breasts, another underlining them are so many indications of the work in progress. The face of the woman in her 50s shines with intelligence. Tense, almost anxious, she gives a searching look as if desperately seeking to pierce some secret.

Did Egyptian art have infinitely greater versatility than we suspect? The unique set of circumstances that allowed the survival of this figure, and the others recovered from the sculptor's workshop, invites the question. The quarters, abandoned at some point, were blocked off by a mud door, leaving inside a host of sculptor's plaster models made perhaps as studies for further reworking, and of half-finished to nearly finished portraits.

Arnold reckons that the workshop was closed off when Akhenaten's reign came to an end and the sculptor moved to follow the new king, Tutankhaten (Tutankhamun), when the court reverted to the old cult. To this we owe the survival of plaster portraits of a laughing old woman with a pug nose that could have come down from some French 15th-century church and a young woman whose wistful face would not be out of place in Donatello's workshop.

AS if this was not enough, a third strand in Akhenaten's art illustrated a kind of stylized expressionism unusual in Egyptian art. The bodies are elongated and angular as in the colossal statue of the king from Karnak, the features exaggerated, almost apish.

Elsewhere, Akhenaten is represented as a laughing sphinx caressing a globe. Sun rays with human hands at the end touch his back in Surrealist fashion. The effect is of a sinister cartoon.

No convincing explanation has been put forward for this weird strain in Akhenaten's art. But then the entire reign leaves an impression of unreality. With all our accumulated bits of information, Egypt remains as unfathomable as ever.

The Metropolitan Museum of Art, New York

Yew-wood head of Queen Mother Tiye, from the reign of Akhenaten.

Japan Through a Master's Lens

By Velisarios Kattoulas
International Herald Tribune

TOKYO — Hiroshi Hamaya was one of the first Japanese photographers to abandon studio and glib postcard photography in the pursuit of realism. So in 1957, when he published his headless image of a woman planting rice seedlings in a flooded, muddy paddy field, many critics were confused. The immediate response was overwhelmingly negative. The photograph was called ugly.

But 40 years later, historians consider the photograph a masterpiece, one of the most telling images of life in rural Japan in the decade after World War II.

The first photograph to earn Hamaya, now 81, widespread recognition, "Woman Transplanting Rice" is among more than 100 of his photographs on display at the Tokyo Metropolitan Museum of Photography (until March 30). The first major exhibition of his work in six years includes photographs taken between 1931 and 1980.

The first of the exhibition's four sections is a selection of photographs taken in Tokyo between 1931, when a family friend gave Hamaya his first camera, and 1945. The images are of the entertainment districts of Akasaka and Ginza and of downtown Tokyo, where Hamaya was born in 1915. Geisha, showgirls and musicians mingle with street vendors, beggars and crowds at a market amid the rubble of buildings flattened by American bombers in 1945.

One of the most striking photographs of Hamaya's "Century of Photography"

"Woman Transplanting Rice."

exhibition is of a dancer in a shimmering, backless dress holding back her hair and staring into a mirror. "There was always something which I liked about that photograph," Hamaya said at his home west of Tokyo. "But by the time I took it, I had already become interested in Japanese folklore and found myself drawn more and more in that direction."

From 1939, Hamaya became strongly influenced by Keizo Shibusawa's studies of Japanese folklore. The other dominant influence was Yoshio Watanabe, now 89, who worked with Hamaya in the early 1930s. The influence of the late Shibusawa and of Watanabe is most evident in the second section of Hamaya's exhibition. It includes photographs from "Snow Land" and "Japan's Back Coast," Hamaya's first two major publications.

The photographs in "Snow Land" were shot between 1939 and 1954 in rural Niigata Prefecture on the Sea of Japan coast facing mainland Asia. Hamaya first visited Niigata in 1939 to cover Japanese soldiers training in the snow. He spent the next five years traveling there to record shaman festivals and the grinding struggle of everyday life.

In 1944, Hamaya left Tokyo and moved to the city of Takada in Niigata. It was there where he shot his famous "Sun on the Day of Defeat." After hearing a radio broadcast announcing Japan's surrender in World War II, Hamaya ran for his camera and pointed it at the sun. He still does not know why. Although the photograph remained unpublished for nearly 30 years, it is an image of great poignancy for people old enough to remember Japan's surrender.

The following year he published "Japan's Back Coast." Shot between 1954 and 1957, it illustrated the relationship between the harsh climate that afflicts 12 prefectures along the Sea of Japan coast and the poor farmers, loggers and fishermen who lived there.

Together, "Snow Land" and "Japan's Back Coast" brought Hamaya international recognition, and from 1960, he traveled the world as a contributing photographer for Magnum Photos.

An ambiguous threesome in an 1873 painting (detail) by Sir Lawrence Alma-Tadema at the Van Gogh Museum.

Victoriana: Spice and Nostalgia

By Joseph Fitchett
International Herald Tribune

AMSTERDAM — A Victorian academic painter renowned for the antiquarian detail, Sir Lawrence Alma-Tadema (1836-1912) occupies a spicy niche in art history thanks to a handful of hyper-real paintings with an erotic subtext in his reconstructions of Ancient Rome.

Victorians knew the episode of "The Roses of Heliogabalus" in which the libertine emperor twisted the fashionable practice of showering dinner guests with perfumed flowers by ordering a ton of rose petals to crush the pleasure-seekers at his feet. The painting seizes the climactic instant: The young voluptuary watches his guests in the throes of asphyxiation. Most of the courtesans appear too thrilled to understand what is happening. One silk-clad young man, his beard contrasting with his elaborately tressed hair, glares bitterly at his languid killer. An androgynous woman with a split red pomegranate stares stoically at the viewer.

Drowning in flowers, fabrics and jewelry, the canvas is visually accessible because Alma-Tadema exquisitely renders the whole surface, including translucent marble expanses that invite a caress. Nothing in the picture is explicitly sexual, but the classical material is charged with febrile desires.

Spectacular in every sense, Alma-Tadema's work resembles a Technicolor precursor of Roman screen orgies of the black-and-white era. Fittingly, his most avid modern collector was a Hollywood producer who said as he auctioned off his 36 Alma-Tademas that they showed "an artist trying hard to give a viewer his money's worth. Every inch is crowded with interesting and beautiful detail." Stressing the effort needed to produce unequaled effects, this showmanship is rooted in the Victorian work ethic.

Alma-Tadema, a promising young Dutch painter who studied in Belgium, found a bigger market in London. After an initial success with a theater scene, Alma-Tadema made a career of recasting Victorian vignettes into the Roman vernacular, where the scenes became historically entertaining — and often ambiguously suggestive.

A Roman soldier leaving a bouquet on the lap of his fiancée could also be a London rake in fancy dress trifling with a tart. A courtship scene, a Victorian genre, shows a young couple in discussion with an older man: perhaps a betrothal but perhaps the start of a more wanton evening. With his staidly titled paintings, much fun lay in the saucy readings that surely leaped to the eye of financial barons who bought his work, but might well have been overlooked by the American widows who were his second-best patrons.

At his best, Alma-Tadema's brush manages to marry the lore of antiquity and nostalgia for a golden age with a graceful vision of uninhibited sexuality.

But such sensual moments are rare enough in his 60 paintings, and they are impossible to savor in the Amsterdam show. The paintings are badly hung, apparently without any concern to minimize glare, and the Van Gogh Museum itself is a harshly austere, uncomfortable environment.

EQUALLY unfortunate, the catalogue's reproductions are a travesty of art printing. The text is often insightful. For example, it discusses Alma-Tadema's work as an inspiration for Gustav Klimt's stylized nudes and monumental spaces.

But the color reproductions are too muddy for the detailing in the Dutch tradition that is crucial in Alma-Tadema's approach. No editor seems to have checked the colors, so the reproductions look more like washed-out calendar art from the 1950s than the vibrant material world of Alma-Tadema.

Van Gogh Museum, Amsterdam, until March 2, then the Walker Art Gallery, Liverpool, from March 21 to June 8.

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EUROPEAN FINE ARTS

POST-RECESSION BUYERS HAVE PARED-DOWN TASTES

Specialty collecting remains the same, but traditional areas are changing.

The international art market has experienced many false starts in recent years, but indications are that the market is now shaking off the recession that has dogged it since the beginning of the decade. The excessively high, speculation-fueled prices of the late 1980s, which badly hurt many dealers and discouraged a whole generation of collectors in the ensuing slump, are a thing of the past. A less ostentatious and, many argue, a healthier prosperity lies ahead. The complex relations between auction houses, galleries and art shows, not to mention their respective shares of the market, are emerging into the light of day much changed.

Regional differences

General economic recovery and the performance of the art market vary from country to country. Large-scale Japanese investment, which grossly inflated the prices of Impressionist and modern paintings and Art Nouveau glass, for example, has shown no signs of returning.

In the United States, after a particularly serious downswing in the early 1990s, the market has been perkier for longer than in Europe: exceptionally good results at modern paintings sales in New York last fall and at Old Masters sales in January were proof of renewed energy.

Britain, meanwhile, where middle-of-the-road auctioneers Phillipps and Bonhams recorded 16 percent increases in sales last year, has shown better signs of financial health than France. Art-world professionals are quick to complain, however, that the British who can afford to buy art are even less willing to do so than before.

New U.S. collectors

Saddled with the economic consequences of an unemployment rate of nearly 13 percent and government commitment to meeting the economic deadlines of Maastricht – the Treaty, not the art and antiques show – French dealers have been pinning great hopes on the return of collectors from the United States.

The tastes of America's newly moneyed, however, are different from those of the East Coast socialites who, with the dollar at 10 French francs in the late 1980s, decorated their apartments top to bottom in 18th-century French *grand mobilier*.

Today's buyers are more likely to work in the entertainment or computing field, to come from the West Coast and to have less elaborate tastes. As Thierry Despont, Microsoft boss Bill Gates' decorator, points out, "As soon as Bill's name is mentioned, French dealers reach for their most expensive piece of furniture. Which is not likely to interest him at all."

Upswing, downswing

Certain fields of collecting are emerging better than others from the past seven lean years, as highly selective buying by fewer clients well aware of their bargaining power has set a whole new range of prices, and of values.

Increasing rarity

Galleries dealing in contemporary art, the biggest single victim of the recession, closed by the dozens in New York, London and Paris. Good Impressionist paintings suffered less because of their increasing rarity on the market, while the prices of good modern masters have recently been on the increase for similar reasons – purchases by museums mean there are simply fewer around. Highly specialized fields of collecting, meanwhile, independent of social trends calling for intellectual investment on the part of the buyer – coins and porcelain, for example – are much the same as ever.

Fairs are the future

Buying habits, however, have changed profoundly during a period that has seen the rising importance and the proliferation of art and antique fairs.

With few prospective buyers visiting galleries, dealers have started using them as base camps from which to organize several trips a year to major shows across the world. Many collectors now meet their favorite dealers only at fairs, where they can view and compare a wide range of objects. Fairs, rather than galleries, are the new international rivals to the increasing power of major auction houses. Only the strong survive, and only the very strong prosper. •

HUGUES DUBOIS BRUSSEL&BRUNDEL/TEFAF

This wooden statue of an Egyptian dignitary from the New Empire (1306-1070 B.C.) stands at 54 centimeters (21 inches). Five specialists in Egyptian and Mediterranean archaeology will occupy their own space at TEFAF.

"EUROPEAN FINE ARTS"
was produced in its entirety by the Advertising Department of the International Herald Tribune.
WRITER: *Nicholas Powell, based in Paris.*
PROGRAM DIRECTOR: *Bill Mahder.*

TEFAF LOOKS WEST

A fair will be launched in the United States next year.

Each spring since 1988, collectors and curators from all over the world have converged on an immense warehouse-like building on the outskirts of the southern Dutch town of Maastricht. The hangar houses TEFAF, The European Fine Art Fair, which developed from a merger between two earlier art shows into one of the most prestigious – many think the best – collecting venues in the world.

TEFAF's success is partly due to its location, close to Belgium, Luxembourg and northern Germany: prosperous, densely populated areas with strong currencies and highly educated, serious collectors. American art lovers and curators, too, proved quick to make the trip to Maastricht. These are "not millionaires with flashy tastes, but serious types with quite a few thousand dollars a year to spend on a collecting specialty," says one Paris dealer. The real draws of TEFAF are outstanding quality, great variety and dealers who take the trouble to discuss their art.

In order to attract collectors from northern Italy, southern Germany and Switzerland, TEFAF launched a second fair in Basel in the fall of 1995. After a shaky first edition, it drew 135 dealers from 11 countries and over 14,000 visitors last year. TEFAF also plans to launch a fair in 1998 in a major U.S. city – "not necessarily New York," according to its director, Leo Lemmens.

TWO SECTIONS IN THE LEAD

At TEFAF, objets d'art and paintings, drawings and prints are dominant.

One hundred sixty-five dealers – most of them, as in previous years, from Britain, Germany and the Netherlands – are taking part in this year's TEFAF Maastricht. The fair is divided into seven sections, the two most important being those devoted to objets d'art and to paintings, drawings and prints.

Fifty dealers will take part in the latter, from Richard Green of London to Bob Haboldt of Paris, David Koetser of Zurich, Maastricht's Noortman and U.S. Old Master specialists French & Company, Newhouse Galleries and Richard L. Feigen. Three-quarters of the Dutch and Flemish paintings available on the market, it is said, go on show in Maastricht, while other major schools are well represented. Rob Smeets from Milan will show a portrait of a woman by Bernardino de Conti, circa 1500, and New York dealer Piero Corsini an 18th century view of Venice by Bernard Bellotto.

Every period and culture

The objets d'art section will house no fewer than 75 dealers, covering every period and culture, from neolithic Chinese terra cotta figures (Mediterranean and Egyptian archaeology will be represented by five specialists in a separate corner of the fair), to medieval European statuary, German Renaissance silver-gilt ware and the innovative designs of Art Nouveau and Art Deco designers of glassware, ceramics and furniture. Grand French furniture of the 18th century, meanwhile, will be shown by Jacques and Patrick Perrin of Paris and Adriano Ribolzi of Monte Carlo.

From strength to strength

Antique textiles from across the world used to be a great specialty of Maastricht, but that section has shrunk this year to a mere five exhibitors, as against a dozen in its heyday. The 20th century art section, on the contrary, conservative in its choice of staid and often minor works by the famous artists of the century, goes from strength to strength. Once confined exclusively to Dutch dealers, it has opened up over recent years to some of the biggest names in modern and contemporary art, such as Marlborough International Fine Art, Waddington Galleries and the Gmurzynska gallery of Cologne. They will be joined for the first time this year by the Piltzer gallery of Paris.

For those with something left to spend, Maastricht boasts six dealers in old and rare books, plus a jewelry section, fielding names like Gianmaria Buccellati, Cartier, Harry Winston and, from Munich, Hemmerle. •

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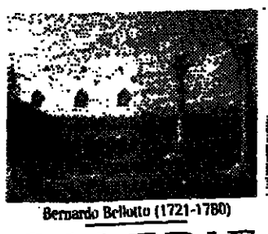
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Dithering on Burma

Unocal, the U.S. energy company cooperating with Burma's totalitarian regime to develop natural gas in that Asian country, likes to show photographs of the classrooms and clinics it is building for villagers along the route of its unfinished gas pipeline through the jungle. Unocal's presence, the argument goes, can act as a civilizing influence on Burma's regime — better known for repression, torture and forced labor — and so the U.S. administration shouldn't impose economic sanctions restricting U.S. investment.

Another, less appealing consequence of economic development is unfolding now on the Burma-Thai border. The pipeline of the $1.2 billion project, in which France's Total is the other major participant, will carry natural gas from Burma's Andaman Sea to Thailand. Burma's junta will get badly needed foreign currency; Thailand's growing economy will get badly needed energy. But Burma's regime fears that ethnic Karen, a Christian anti-Communist minority that has been fighting for greater autonomy for five decades, could stand in the way. So about 100,000 Burmese troops are now bludgeoning their way to the frontier in a mopping-up campaign. Thousands of refugees are streaming across the border.

Thailand, which for years has sheltered Karen refugees, now is forcing them back across the border toward Burma's guns. The lure of Unocal's gas apparently is very strong.

What does any of this have to do with the United States? Burma is a naturally wealthy country of 45 million people (of whom about 4 million are Karen) that has been steadily impoverished by its corrupt and incompetent rulers. In 1990 an overwhelming majority of Burmese voted for a pro-democracy party headed by Daw Aung San Suu Kyi, the daughter of Burma's anti-colonial independence hero. She is supported, too, by the Karen and other ethnic minorities, for whom she promises a democratic federative system. But the military thugs who rule the country never allowed her to take power, and she remains under virtual house arrest. Hundreds of her supporters have been jailed — more last year than at any time since the current regime seized power in 1988.

Promising to stand with Burma's democrats, Congress last year passed a law requiring the president to ban further U.S. investment if the regime moved against Daw Aung San Suu Kyi or intensified its repression. Both in Burma's capital and on the Thai border, the latter condition certainly has been met. If the administration dithers any longer, it will only encourage the regime to think it can realize the former condition, too, at no cost to itself.

— THE WASHINGTON POST.

Greenspan's Warning

That latest warning from Alan Greenspan, chairman of the Federal Reserve Board, that stock prices might be unsustainably high is rooted in a statistical dilemma. The U.S. economy — jobs, production and income — has been growing at a steady but unexciting pace. Yet stock prices, which should be tied to the growth of corporate earnings, are soaring to breathtaking levels. The rosy scenario is that investors are betting correctly that earnings growth will rise further, justifying high stock prices. The ominous scenario is that stock prices will prove irrationally high, collapse and drag consumer spending and the economy down with them.

To ward off the bad outcome, Mr. Greenspan gently reminded investors that stock prices fall as well as rise, and that they might want to think twice before pouring more money into stocks. He also reminded them that the Fed will not shrink from raising interest rates — which will draw money out of stocks — if it sniffs inflation building up.

What Mr. Greenspan wants to avoid is a replay of October 1987, when stocks fell by an astonishing 20 percent in one day, a frightening collapse unlike any other since the great crash of 1929.

To be sure, Mr. Greenspan flooded financial markets with cash, which prevented the 1987 Wall Street collapse from spreading to Main Street, except for New York's economy. There is every reason to believe that he could similarly insulate the economy today from a turnaround on Wall Street, but he would prefer not to be tested.

The unanswerable question is whether stock prices are truly out of line. If so, they are probably not wildly high. In the 1970s and '80s, investors had to pay about $15 for a share of stock that laid claim to $1 worth of corporate earnings. Today that number has risen above $20.

But the number was also about $20 during the early 1960s. Yes, share prices are high, but they are not astronomically high and thus are not poised to take a gigantic nosedive. Besides, the economy that underlies stock prices is remarkably healthy. Unemployment is low, yet inflation remains smothered. Productivity is rising at about its expected pace. The budget deficit is low by international standards, and falling. Monetary policy is rock-steady. The private and government sectors are in good shape, giving investors reason to be at least mildly optimistic.

There are those on Wall Street who dispute Mr. Greenspan's cautious warnings and contend that the American economy is headed toward unprecedented prosperity. Corporate profits will reach new highs, powered by the painful restructurings of many companies and by a new global reach of American corporations. But like any story that says the future will be unlike the past, the predictions are probably wrong. Corporate earnings have comprised an unchanging portion of the national economy for the past 60 years. Investors are betting that those earnings will now fly higher. That's not impossible, but Mr. Greenspan gently asks investors whether that is a bet they are prepared to lose.

— THE NEW YORK TIMES.

Aid to Russia

The Clinton administration is asking Congress for $900 million next year for aid to Russia and other former republics of the Soviet Union, a 44 percent increase above this year's appropriation. The proposal seems to reverse earlier plans to phase out such aid, and it seems to collide with gloomy news from Moscow. But it deserves a fair hearing, because the principle of remaining engaged with Russia and its neighbors continues to make sense.

Tensions in U.S.-Russian relations are real and bound to continue. So, too, are Russia's problems — crime and corruption, industrial stagnation and political uncertainty caused by President Boris Yeltsin's long illness. But Russians have kept their democratic experiment more or less on track. They rejected, last year, a Communist presidential candidate who would have tried to lead the country backward. That decision creates an opportunity that the West should not ignore.

Certainly, it's in the West's interest that Russia and its neighbors develop as open, democratic societies. It's trite but true that anything the West spends on aid is less than the military spending that would be required if things went badly wrong in Moscow.

The West's ability to influence events in Russia is limited. But the administration now has tried to refocus its aid program on areas where it can make some difference. That means, in particular, promoting U.S. investment and the local conditions that make investment possible, and encouraging the emergence of a civil society through exchange programs and assistance to independent media and the like.

Aspects of the administration program raise questions. Proposals to help Russia fight crime may end up strengthening institutions that are part of the problem. Helping Ukraine is reasonable, but congressional mandates to spend $225 million per year there no matter what (compared with a proposed $241.5 million in Russia) eliminate the administration's ability to respond to problems, such as Ukraine's growing level of corruption. Reducing environment-related aid makes no sense, since the most active and independent civic groups have grown up around such issues. In fact, sending aid to such grassroots groups will bear fruit no matter what the political climate in the Kremlin. Other questions, too, may arise. But the general thesis — that promoting democracy in Russia helps all concerned — is as right now as ever.

— THE WASHINGTON POST.

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Giving Russia and China a Hand With the Bomb

By Gary Milhollin

WASHINGTON — It should come as no surprise that Russian scientists are now designing nuclear weapons with powerful American supercomputers.

When California-based Silicon Graphics improperly outfitted a Russian nuclear laboratory last fall, it was the inevitable result of the Clinton administration's penchant for putting export earnings above national security.

The Silicon Graphics computers are about 10 times more powerful than anything the Russians had before. They will enable Russia to design nuclear warheads faster and more cheaply through computer simulations and to make long-range missiles more accurate.

To make matters worse, the head of marketing at Silicon Graphics told me that the company sold even more powerful supercomputers to the Chinese Academy of Sciences last March. That august body helps develop long-range Chinese nuclear missiles such as the DF-5, which is aimed at American cities.

The Commerce Department is probing the Russian sale — which appears to be illegal — and will probably probe the Chinese one, but Commerce is primarily to blame for allowing them to happen.

Early last year, the administration's nuclear experts asked Commerce to send American computer makers a list of the sensitive nuclear sites in Russia and China. The experts wanted to put the companies on notice so they wouldn't unwittingly sell high-power machines to these places. Commerce refused, saying it was against U.S. policy to name such sites in friendly countries.

Why was there a danger of unwitting sales? Because to please Silicon Valley, Commerce had slashed export controls on strategic technology to one-tenth of what they were under the Bush administration. Under Bush, no computer performing more than 12.5 million operations per second could go to Russia or China without an export license. Now, computers performing up to 7 billion operations per second can go without a license if the sale is not to a nuclear, chemical, missile or military site.

Claiming ignorance, Silicon Graphics made the Russian and Chinese sales without an export license. "It boggles the mind that Silicon Graphics would do this," said an official at the Department of Energy.

Officials at the Commerce, Defense and Energy departments say that the four Silicon Graphics computers — each performing more than 4 billion operations per second — needed an export license. The computers were destined for scientists at Chelyabinsk-70, the center that has developed most of Russia's nuclear warheads, including the world's most powerful hydrogen bomb.

But Edward McCracken, Silicon Graphics' chief executive officer, told me that the company didn't know what Chelyabinsk was up to.

That's ridiculous. Since opening in 1955, it has been one of the two best-known Russian laboratories for designing nuclear warheads.

And in 1995, in a guide to acquaint American exporters with Russia's military sites, the Commerce Department plainly listed Chelyabinsk's "product line" as "development of nuclear weapons." Moreover, U.S. export laws oblige an exporter to investigate a buyer before making a sale.

As for the Russians, they got the computers just in time to continue the arms race. Russia's minister of atomic energy, Viktor Mikhailov, told the media recently that Moscow will obey the new test ban treaty but will now design its warheads with simulated explosions, using the computers from Silicon Graphics.

If Silicon Graphics can rewire Russia's and China's bomb makers without anyone knowing, it can do the same for scores of other nuclear and missile sites in India and Pakistan. All four nations are under the same computer export rules.

And there is the fact that Mr. McCracken was an influential campaign supporter of President Bill Clinton's in 1992 and 1996. He helped lead the industry drive to slash computer export controls and was also a candidate for secretary of commerce.

By touting trade as the supreme foreign policy goal, President Clinton has given the impression that anything goes if it brings in a buck. Congress must reverse that impression by demanding a full public account of the computer sales to Russia and China. And the Commerce Department, in addition to giving computer makers a list of off-limit nuclear sites, should make an example out of Silicon Graphics by yanking its export privileges for six months to a year.

That would get industry's attention. It also would show that the Clinton administration cares more about the spread of the bomb than about its campaign supporters in Silicon Valley.

The writer, director of the Wisconsin Project on Nuclear Arms Control in Washington, contributed this comment to the Los Angeles Times.

Dialing for Dollars: How the Campaign Cash Game Is Played

By Robert Kuttner

WASHINGTON — Somehow, I find it hard to be shocked, shocked, that 938 political allies of President Bill Clinton spent a night at the White House. The press is in one of those pile-on moods, having trouble sorting out what is illegal, what ought to be illegal and what is just unseemly.

Are presidents political figures? Of course they are. Do they raise money for their parties? Of course they do.

Shortly after his inauguration, John Kennedy presided over a Democratic Party fund-raising dinner in which he parodied his own inaugural address. The debt from the 1960 campaign would not be paid off in the first hundred days, or in the first thousand days or perhaps in our lifetimes, he intoned, "But ... let ... us ... begin." The audience of donors roared, and nobody was offended.

Similarly, it is preposterous to think that White House staff should never sully their hands with political duties. As a re-election campaign approaches, winning the election becomes the number one preoccupation of the president's senior staff.

Cabinet members crisscross the country making speeches and meeting with supporters. The president's party and his administration become extensions of each other.

Rules do exist that prohibit civil servants from engaging in some partisan activities, but political appointees are precisely what the name implies — political. If Harold Ickes, as White House political point man, crossed the line between strategizing and fund-raising, that could be a technical violation, but is it really corruption? Does anyone think Jim Baker, while White House chief of staff, did not dirty his high office planning Ronald Reagan's re-election or meeting with supporters who were also donors? Please.

By the same token, political incumbents are constantly looking for perks to reward faithful allies. Are we really indignant that the president invited some of his most loyal supporters to the White House for coffee, or to spend a night at the presidential mansion? Tacky, perhaps. Illegal? Hardly.

Politicians cross a legal and ethical line when they extort political contributions in exchange for special favors. Part of the Watergate scandal was about the break-in and the subsequent cover-up. But the other part was about the Finance Committee for the Re-election of the President — CREEP — systematically shaking down big donors.

It is this aspect of the administration's behavior, and not the nights spent in Motel 1600, that is genuinely troubling.

Under the stewardship of Ron Brown, the Commerce Department became not just the advocate of U.S. industry abroad. It became a fund-raising arm of the Clinton White House.

The Commerce Department used U.S. diplomatic pressure to open new markets to American corporations. After a decent interval, the corporation sent a nice $100,000 check to the Democratic National Committee as a thank you.

There is little doubt that Bill Clinton has been the most systematic exploiter of presidential incumbency to raise political money since Richard Nixon. But without excusing him, let's pause for a moment to ask why President Clinton was under such pressure to dial for dollars.

The Watergate reforms have plainly backfired. In the U.S. system today, money increasingly dominates politics. And most people who can afford to donate serious political money are, by definition, rich. The Democratic Party has to twist itself into a pretzel to raise money from rich people and corporations, because for the most part the wealthy have no reason to be sympathetic to the Democratic program.

So unlike the Democrats, the Republican Party doesn't have to stay up nights thinking up new ways to use the Commerce Department and the Lincoln Bedroom as bait to separate fat cats from their money. The well-off send money to the Republicans as a matter of course, because it serves their self-interest.

There is a related cost. The more the Democrats suck up to the rich, the more it seems sensible for their program to emulate the Republican program, and the more ordinary people — potential Democratic voters — turn away from politics in disgust.

If government is for sale, then the deck is permanently stacked against the party of the little guy. So Democrats in particular should want to get big money out of politics, not just for civic reasons but for partisan survival.

Washington Post Writers Group.

A Grim Fairy Tale About Monetary Union and Dissolution

By Giles Merritt

BRUSSELS — If you don't believe in economic and monetary union, you're anti-European.

That's the word in Brussels these days. The mood is that Europe's vaunted single-currency project will go ahead on time and will succeed. Anyone who doubts this is considered either hostile to the cause of European integration or has failed to understand the political and economic forces that will make monetary union an inevitable success.

Brussels's unquestioning enthusiasm has serious drawbacks. The European Commission's proper role is to be the honest broker of European integration — it has the sole right to propose new actions to the 15 European Union governments, and the duty of interpreting and applying the EU's rules and treaties. Its job is not to be a highly partisan champion of a particular policy.

Monetary union may turn out to be great leap forward for Europe, lifting it from a world economic power to a political giant like the United States. But it is also, as Britain's Prime Minister John Major has warned, a leap in the dark. The commission should temper its enthusiasm for monetary union, or EMU, with much more practical attention to the problems and pitfalls that accompany such a far-reaching experiment.

It is not always for political reasons that London is the main EU stronghold of Euroskepticism. There is often great common sense in British objections. The City of London, along with Wall Street, is a global financial center that assembles rare expertise on currency matters. Some of the views now being expressed in the City on EMU are worth careful attention. Elsewhere, a growing number of Europe's top industrialists are also beginning quietly to question the idea that EMU will be a sure-fire success.

One of the most arresting contributions to the EMU debate comes from a British observer, David Lascelles, who heads London's Center for the Study of Financial Innovation. Mr. Lascelles has published what he describes as a fairy tale in the form of an official report to 10 Downing Street on the collapse of EMU in the year 2003. It is a convincing imitation of official language, blending established facts with future scenarios. The author was once the Financial Times's banking editor, and his grasp of technical know-how makes his fantasy tale chillingly convincing.

Mr. Lascelles's forecast for EMU is best summarized by the subheads in his "report." The beginning is upbeat: The single currency had a long history; Helmut Kohl wanted EMU, and so did Jacques Chirac; Britain was cool despite worries about the City of London; economically, EMU could boost Europe, but the question was could it work in practice? The financial markets were bullish.

The report goes on: The starting lineup for EMU had 12 names but was reduced to a "first wave" of seven; in the political fudge that took place, joblessness was overlooked; in 1999-2001, the euro was born a strong currency and speculators were beaten off, even though adjustment costs canceled many of EMU's benefits; the new European Central Bank took a tough line, with firm regulation and a strong monetary policy.

Then, however, EMU was hit by the Wall Street crash of 2000. The stability pact kicked in, and French workers rioted. The first cracks began to show, and the German mood darkened. The British became more hostile, but the City benefited. There was rising violence in France, and President Chirac sought EMU reforms. The euro collapsed.

From December 2002 to January 2003, concludes the report, a last-ditch rescue plan was made in which an ambitious "EMU Treasury" would be created to take over the funding of member countries' debts. But Germany said no to this, and France reissued the franc. Within days, Italy and Spain were also forced out, and EMU shrank to a Deutsche mark bloc. Britain also suffered the shocks.

Mr. Lascelles finishes his grim fairy-tale report with the dry comment that political union within the EU was "postponed."

Back to the present and the commission's role in preparing for EMU: The attention of European banks and companies should be directed to the areas where monetary union could backfire, or at the very least perturb the smooth-running of the EU's national economies. Brussels's task should be to find out where the hiccups caused by planned currency upheavals will most probably occur and seek ways of heading off trouble.

This is not to say that the EU's executive commission should destabilize the EMU project by emphasizing disaster scenarios. Rather, the commission should analyze much more carefully the impact of the EU's partial monetary union — fewer than half the member states will be in the first wave — on the intricate workings of the advanced economies of Western Europe.

If Brussels restricts its role to that of cheerleader, it may end up as chief mourner.

International Herald Tribune

Banning Mercy for the Foreigner

By Anthony Lewis

ATLANTA — After Congress passed a restrictive immigration bill last fall and President Bill Clinton signed it into law, I had a letter from a New York lawyer, Stanley Mailman.

"The law sets us back 100 years in its disrespect for due process," he wrote. "It is pitiless in barring relief to those who have transgressed the law even in minor ways, including those with dependent U.S. families. Decades of reasonable court decisions have been overturned in the effort to remove from immigration judges the discretion to administer the immigration law with mercy. Worse than the individual hardship is the sacrifice of the system of adjudication that we depend on for fairness."

In recent weeks numbers of people have begun to understand what Mr. Mailman described. The Justice Department has been aggressively urging courts to throw out pending appeals of actions by the Immigration and Naturalization Service on the ground that the new law strips courts of power to hear them.

One such case concerns a legal immigrant, Alfredo D., who has been in America for 21 years. He has a disabled wife and four children, all U.S. citizens. In 1994 he was found deportable because he had been convicted of carrying an unlicensed gun. He sought relief from deportation.

An immigration judge refused to grant relief because Alfredo would not admit guilt on the gun charge. His lawyers appealed, arguing that his failure to admit guilt was not a valid reason to deny relief. On the government's motion, the 9th U.S. Circuit Court of Appeals threw the case out as now beyond its power to review.

After April 1, the new law will remove entirely the discretion of the immigration authorities to waive deportation of legal immigrants who have committed one criminal offense and who have spouses or children who are citizens. The crime can be a minor one, committed many years ago, that was not even a deportable offense at the time. There will be no discretion for mercy, even in the most pitiable case.

One of the cruelest sections of the new law strips courts of the power to review the cases of people who arrive without proper papers and seek asylum from persecution. It will have devastating effects on asylum applicants like Fauziya Kasinga, the young woman who fled from Togo to escape genital mutilation.

Ms. Kasinga's appeal for asylum was turned down at the border and by an immigration judge. But a lawyer took the case to the Board of Immigration Appeals, and she was granted asylum. Under the new law someone like Ms. Kasinga would have a week to ask an immigration judge for asylum — probably by telephone, and without a lawyer. If the judge said no, all appeals would be barred — and she would be sent back immediately to be mutilated.

Representative Lamar Smith wrote a letter to The New York Times last fall denying that the law would bar judicial review in asylum cases. But his own lawyer conceded to me it would do just that when someone like Ms. Kasinga arrived without proper documents. If Mr. Smith was unaware of that, he should file legislation to remove the provision barring judicial review.

President Clinton could help, too, by instructing the Justice Department to stop pursuing every chance to intensify the law's worst features.

But it is probably too much to expect concern from the man who signed this legislation. To return fairness to immigration procedures we shall have to have a president and congressional leaders who care.

The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: No Cretan Rule

ATHENS — It is a total error to imagine that the Cretans prefer autonomy to annexation. The Cretans regard themselves, with some justice, as the finest specimens of the Greek race, and they are not satisfied to govern Crete, but are ambitious to exercise a voice in the whole Greek nation. The Cretan Turks themselves infinitely prefer union with Greece to autonomy. They realize that their lives and property would be safer under the Greeks than under Cretans.

1922: Royal Wedding

LONDON — Princess Mary became a bride to-day [March 1]. London's swarming millions, augmented by visitors from all parts of the Empire, thronged the streets. The richness that tells of Empire flashed in silvered cuirass and gold lace through London's rare sunshine — the Princess sunshine, they called it. Every symbol of the greatness, the honor, the glory that centuries of culture, tradition and achievement could devise was mustered, but mustered with that admirable British quality of restraint.

1947: German Morale

FRANKFURT — There are fewer people in Germany's insane asylums who think that they are "Adolf Hitler" than during the twelve years of the Nazi rule. That is because there is not so much Nazi propaganda regarding the Fuhrer to inspire the mentally unstable people to go about saying that they are the leader of the Third Reich. However, the mental hopes and morale of the civilian population of Germany's bombed-out cities are declining, and the number of drug addicts is skyrocketing.

Belgians Outraged At Renault

But Investors Send Firm's Stock Up 13%

By Barry James
International Herald Tribune

PARIS — The decision by Renault SA to close its plant near Brussels and thus eliminate 3,100 jobs caused outrage in Belgium on Friday but won the applause of the Paris stock exchange, where the shares of the ailing carmaker soared 13 percent on the news.

Workers at the Vilvoorde plant blocked the departure of 4,000 cars for export, and the prime minister of the Flanders region, Luc van den Brande, said he was "profoundly shocked by the brutal and unacceptable decision," which was "not based on any objective economic grounds."

Prime Minister Jean-Luc Dehaene said he was "indignant and stupefied" by the decision, which he intends to bring up with his French counterpart, Alain Juppe, on Monday.

The decision, which came shortly after the decision by Boston Scientific Corp. to move a manufacturing operation from Belgium to Ireland, where corporate taxes are lower, marked another blow to the European single market.

The European Commission said it would investigate whether Renault had violated worker-protection rules.

But Renault, which piled up estimated losses of 4 billion French francs ($703 million) last year, said it would save 850 million francs a year by closing the plant in July. It will transfer production of the Megane and Clio cars made in Belgium to two factories in France.

A Renault spokesman said the company no longer needed a large number of geographically dispersed plants and could respond to increased demand by having three shifts a day at its French plants instead of two.

Earlier this week, Renault and its French rival PSA Peugeot Citroen SA failed in their attempt to get the government to finance layoffs of workers in their 50s to enable the companies to hire younger and cheaper hands.

The French carmakers argued that they have older work forces than rival companies in Asia.

Renault is 46 percent owned by the French government.

Renault shares closed at 146.90 francs on Friday, up 16.90 francs, on the Paris exchange.

Yves Herman/Reuters
Dismayed plant workers speaking Friday after news that the Belgian Renault plant was to be closed.

Paris-Run Firms Owe $105 Billion

Compiled by Our Staff From Dispatches

PARIS — French state-controlled companies have debts amounting to about 600 billion francs ($105.24 billion), Finance Minister Jean Arthuis acknowledged Friday.

This figure — about 6.3 percent of gross domestic product — remains an estimate, awaiting the outcome of the sale of property liabilities and other factors, but it is slightly more than twice the annual national public deficit, analysts noted.

Mr. Arthuis gave the figure in an answer to a question arising from the latest state rescue: 20 billion francs for Groupe GAN, which amassed massive losses in recent years on property loans and insurance underwriting.

GAN shares rocketed 21 percent, to 150 francs, before being suspended Friday, as investors bet that the rescue would return the company and its banking unit, Cie. Financiere de CIC, to profit and make it a takeover target. The government plans to privatize GAN.

"Obviously the market's assumption is that the government is pretty much writing out a blank check," an analyst said.

Mr. Arthuis also acknowledged that the cost of saving Credit Lyonnais SA, the debt-ridden bank being rescued for the third time, would not be known until the entity created to dispose of property liabilities had completed its work.

But he said that the net burden to the taxpayer would be at least 50 billion francs. Many analysts, noting previous recapitalizations, maintain that the cost will be closer to 100 billion francs.

Debts owed by state companies are not covered under the definition of public debt in the Maastricht treaty, which sets conditions for participation in the single European currency.

But the cost of rescuing such businesses, or of recapitalizing them, is putting enormous strain on the budget and social policy as the government tries to cut the public deficit this year to 3 percent of gross domestic product to qualify for the single currency on its scheduled Jan. 1, 1999, launch date.

The strain has forced the government to accelerate privatization plans during the last two years, even to the point of signaling that Credit Lyonnais could be sold if a buyer came forward.

The government already rescued Air France, providing 20 billion francs between 1994 and 1996, also in preparation for eventual privatization.

It poured 3.7 billion francs last year into GIAT Industries SA, the defense contractor, and 3.4 billion over three years into Cie. Generale Maritime et Financiere.

It intends to pump 11 billion francs into Thomson Multimedia to make the consumer electronics company fit for sale, initially set at the symbolic price of 1 franc.

Nearly all of the money raised from the sale last year of shares in such state holdings as Elf Aquitaine and Renault was used to recapitalize state companies, and the same will occur again this year. About 10 billion francs remains from the sales last year to help with rescues this year. *(AFP, Reuters)*

India's Budget Plan Sends Stocks Soaring

Proposal Offers Major Tax Cuts

Reuters

NEW DELHI — Indian stocks soared Friday after the government proposed a new budget that would slash corporate and personal income taxes and raise ceilings on foreign investment.

The blueprint for the fiscal year starting April 1 was presented by Finance Minister Palaniappan Chidambaram, who said the plan would reduce deficits while spurring growth.

Mr. Chidambaram said the government planned to reduce the tax on domestic corporations to 35 percent from 40 percent, and abolish a tax on dividends. He also proposed scrapping a 7.5 percent surcharge on corporations.

The budget also would allow foreign investors to take stakes of up to 30 percent in Indian companies, up from 24 percent.

Investors, anticipating a spurt in corporate profits, sent the Bombay Stock Exchange's benchmark index, the Sensex 30, up 225.12 points, or 6.57 percent, to 3,652.99 in a special late-evening session.

Mr. Chidambaram also said the budget, which must be approved by Parliament, would cut personal income-tax rates across the board and bring down the maximum rate to 30 percent from 40 percent.

"This will lead to a sea change in tax compliance," said K.S. Mehata, a senior member of the Federation of Indian Chambers of Commerce and Industry.

The budget plan would extend the tax net, currently limited to only about 12 million of India's 936 million citizens, by imposing new levies on owners of cars and telephones, which are considered luxury goods.

Mr. Chidambaram said the fiscal deficit as a share of gross domestic product — considered a barometer of the economy's overall health — would drop to 5 percent in the fiscal year ending March 31. That would be a steeper-than-expected drop from the 5.8 percent deficit in the preceding fiscal year. Analysts had expected the fiscal deficit to fall to between 5.1 percent and 5.4 percent of GDP.

Mr. Chidambaram said the 15-party center-left government which took office last June aimed to cut the fiscal deficit to 4.5 percent of GDP in the year beginning April 1.

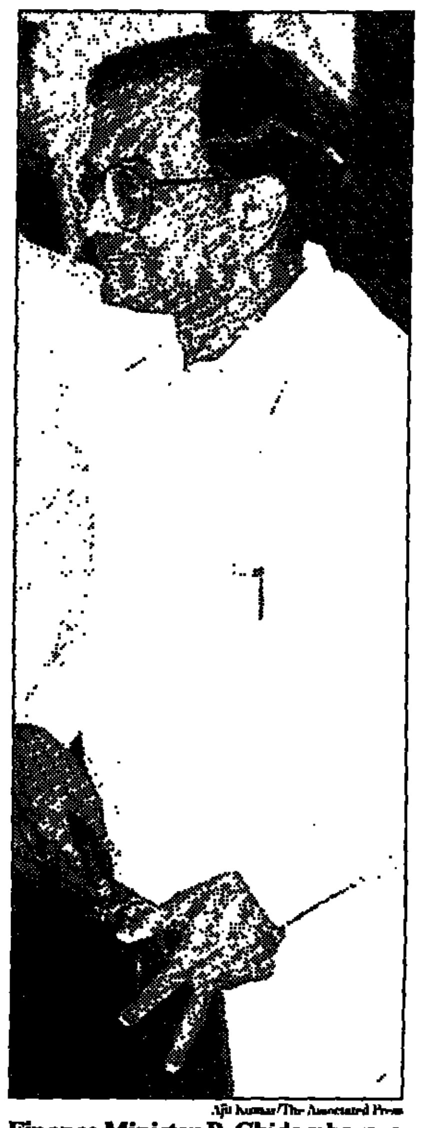
Mr. Chidambaram's sympathy for the business community, which had lamented a slowdown in industrial growth and sluggish share prices, drew a lukewarm response from left-wing parties within Prime Minister H.D. Deve Gowda's minority coalition.

"There is not much to encourage agriculture in this budget," said the farm minister of the Communist Party of India, Chaturanan Mishra.

That party's leaders said the cut in customs duties meant foreign firms might take over Indian companies. They also complained about a rise in postal rates.

The government stopped short of raising oil prices to cut state subsidies and proposed only a modest opening up of the state-run insurance industry, which has hundreds of thousands of workers.

The government's vows of fiscal discipline prompted some skepticism. "Inflation will increase," said Atal Bihari Vajpayee, leader of the Hindu nationalist Bharatiya Janata Party.



Ajit Kumar/The Associated Press
Finance Minister P. Chidambaram

ECONOMIC SCENE

Pretoria Seeks to Get Serious About Privatization

By Donald G. McNeil Jr.
New York Times Service

JOHANNESBURG — For men who defended the repression of blacks and secret wars in Africa by declaring that they were holding back communism, the former white rulers of this country created a surprisingly socialist state. A startling 50 percent of South Africa's fixed assets are in government hands.

The state owns all or almost all of the telephone company, the electric company, the national airline, the arms industry, the railroads, buses, ports, hospitals and television stations. It drills for gas, logs forests, mines some diamonds and grows a few mangoes.

For three years now, the new leaders — the African National Congress — have been saying that they will sell some of these industries to encourage efficiency, lower prices and attract foreign investors. But little has been sold, and analysts say one reason the South African rand fell 30 percent last year was that investors thought South Africa was not serious about privatization.

"They always refer to it as 'restructuring of state assets' — they don't even like to say the 'p' word," said Dennis Dykes, chief economist for Nedbank, one of the country's largest banks.

"But they don't seem to realize," he said, "that state enterprises will be a lot less attractive in even a year's time. Telkom, for example, has growing competition from cell phones and the Internet. It's very much a changing market."

President Nelson Mandela's government concedes that progress this year is crucial. It is now overcoming the biggest obstacles to privatization, including opposition within the ANC and from some unions, as well as a host of practical difficulties.

There is still a long way to go, but foreign investors are showing interest, said Sipho Shabalala, deputy director general of the Ministry of Public Enterprises. Weyerhaeuser Co., a U.S. forest-products company, has asked about the forestry company Safcol. And SBC Communications is a final bidder on a 30 percent stake in Telkom South Africa Ltd., the national phone company.

Among investment banks, Mr. Shabalala said he had had visits from Goldman, Sachs & Co., Salomon Brothers Inc. and Credit Suisse First Boston, along with many more from British, German and Asian companies. In all, the privatizations could raise as much as $30 billion.

The public images of these state-owned companies vary enormously.

Telkom, which charges high rates for calls and can make customers wait six months for a phone, is seen as bloated and incompetent. But Larry Solomon, an SBC spokesman, said: "We're interested in Telkom for the same reason we're investing in other countries around the world. The country has excellent growth potential for telecommunications. There's an opportunity to upgrade the network."

In contrast, Eskom, with a network of coal and hydroelectric plants, provides cheap power fairly efficiently. South African Airways flies safe, clean planes on schedule, a rarity in Africa, and has used its market dominance to crush rivals.

Denel may make the world's best cannon, but many of its deals, like selling arms to Rwanda and tank sights to Syria, get it into political trouble.

The South African Broadcasting Corp., which owns three of the four television channels,is hemorrhaging money and advertisers.

But the idea of privatizing the airwaves makes the government nervous because it wants broadcasts in 11 languages, heavy coverage of Parliament and the network chairmanship to remain a political appointment.

How much of this shopping cart full of companies will go up for sale is still being debated.

Steve Friedman, director of the Center for Policy Studies, a liberal research group, discussed the government's reluctance to let go: "There's a strain of thinking in the ANC that says, 'Look at what happened when the Afrikaners took control of government in 1948. That lot was able to use its control of state enterprises to take poverty-

See PRIVATE, Page 13

Pakistan Suddenly Shifts To Friday as a Work Day

By Kenneth J. Cooper
Washington Post Service

NEW DELHI — Pakistan was open for business Friday, the first time in two decades that government offices and most private concerns in the Islamic nation have operated on a Friday.

In one of his first acts in office, Prime Minister Mian Nawaz Sharif this week ordered a sudden shift to a Saturday-Sunday weekend to conform to Western practice and help Pakistan attract more foreign investment and trade. Since 1977, most Pakistanis had not worked on Fridays in keeping with Islamic custom.

The decision by Mr. Sharif, a former steel industrialist, surprised business leaders who had been pushing for the change. Last year, the nation's largest stock exchange, in Karachi, and textile exporters in Faisalabad abandoned experiments with making Friday a work day, after opposition from religious parties and without support from the weakened government of Benazir Bhutto, then prime minister.

Arif Habib, president of the Karachi Stock Exchange, said last month that the market had "given up" on the idea. But a two-thirds majority in Parliament appears to have emboldened Mr. Sharif, who made no move to alter the work week when he was prime minister from 1990 to 1993.

"This was a demand of the business community for a very long time," said Ilyas Bilour, president of the Federation of Pakistan Chambers of Commerce and Industry. "We are quite happy."

Offices of federal and provincial governments, including state-owned banks, opened in the morning for half a day, as did the Karachi stock market. Mr. Bilour said factories stayed open all day but gave workers time off in the afternoon to perform Islamic prayers in mosques.

Pakistan's largest religious party, Jamaat-i-Islami, launched street protests against the change Thursday and continued demonstrations around the nation on Friday. The party boycotted the Feb. 5 election and therefore does not have elected representatives who could challenge Mr. Sharif's decision in Parliament.

CURRENCY & INTEREST RATES

Cross Rates

Feb. 28

	$	£	D.M.	F.F.	Lira	D.Fl.	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.901	3.095	1.1247	0.3322	0.1125*	—	5.452*	1.2876	1.572*	1.391	1.3345*
Brussels	34.96	56.84	20.631	6.1175	2.0755*	18.355	—	23.665	0.2809	25.58	24.3725*
Frankfurt	1.6851	2.756	—	0.2956	0.1083*	0.8894	4.8472*	1.1452	1.4023*	1.235	1.1778*
London (a)	1.6315	—	2.7542	9.2951	2,757.24	3.0979	56.5186	2.4065	196.906	2.2381	233.876
Madrid	143.612	230.858	84.872	25.144	8.513*	75.482	4.1141	97.186	118.874*	104.995	—
Milan	1,686.50	2,749.90	997.00	295.61	—	887.88	48.282	1,140.15	13.963	1,229.80	11.777
New York (b)	—	1.6295a	1.6903	5.71	1,694.00	1.9017	34.89	1.4780	120.225	1.368	143.65
Paris	5.7115	9.3005	3.3754	—	0.3386*	3.002	0.1636	3.8652	4.7077*	4.3757	3.9766*
Tokyo	120.25	196.64	71.58	21.22	0.72	63.64	3.4907	81.37	—	88.30	0.8442
Toronto	Not Available										
1 ECU	1.1546	0.7091	1.9534	6.5947	1,947.74*	2.1948	40.3852*	1.7062	139.491*	1.5790	165.839*
1 SDR	1.3849	0.8498	2.3422	7.9109	N.Q.	2.6349	48.3802	2.0457	162.373	1.8932	198.91

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers; New York at 4p.m. and Toronto rates at 3p.m.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9988	Greek drac.	265.02	Mex. peso	7.95	S. Afr. rand	4.475
Australian $	1.2893	Hong Kong $	7.7429	N. Zealand $	1.4451	S. Kor. won	864.10
Austrian sch.	11.906	Hung. forint	175.77	Norw. krone	6.7408	Swed. krona	7.494
Brazil real	1.0507	Indian rupee	35.90	Phil. peso	26.33	Taiwan $	27.51
Chinese yuan	8.3248	Indo. rupiah	2392.50	Polish zloty	3.06	Thai baht	25.89
Czech koruna	28.78	Irish £	0.6335	Port. escudo	170.09	Turkish lira	121785.
Danish krone	6.4514	Israeli shek.	3.3430	Russ ruble	5674.0	UAE dirham	3.6705
Egypt. pound	3.3943	Kuw dinar	0.3005	Saudi riyal	3.7498	Venez. boliv.	477.00
Fin. markka	5.0408	Malay. ring.	2.483	Sing. $	1.4266		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6268	1.6258	1.6248	Japanese yen	120.25	119.69	119.22
Canadian dollar	1.3646	1.3617	1.3592	Swiss franc	1.4731	1.4684	1.4636
Deutsche mark	1.6893	1.6859	1.6829				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

Libid-Libor Rates

Feb. 28

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 5/16 - 5 7/16	2 15/16 - 3 1/16	1 7/16 - 1 9/16	5 7/8 - 6	3 5/16 - 3 7/16	7/16 - 9/16	4 5/16 - 4 7/16
3-month	5 7/16 - 5 9/16	2 15/16 - 3 1/16	1 7/16 - 1 9/16	6 3/8 - 6 1/2	3 1/4 - 3 3/8	7/16 - 9/16	4 5/16 - 4 7/16
6-month	5 9/16 - 5 11/16	2 15/16 - 3 1/16	1 7/16 - 1 9/16	6 1/2 - 6 5/8	3 1/4 - 3 3/8	7/16 - 9/16	4 3/8 - 4 1/2
1-year	5 13/16 - 5 15/16	2 15/16 - 3 1/16	1 7/16 - 1 9/16	6 13/16 - 6 15/16	3 5/16 - 3 7/16	1/2 - 5/8	4 1/2 - 4 5/8

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/4	8 1/4
Federal funds	5 3/8	5 1/4
90-day CDs dealers	5.42	5.40
180-day CP dealers	5.34	5.33
3 month Treasury bill	5.21	5.20
1-year Treasury bill	5.63	5.63
2-year Treasury bill	6.08	6.08
5-year Treasury note	6.38	6.39
7-year Treasury note	6.46	6.48
10-year Treasury note	6.54	6.57
30-year Treasury bond	6.80	6.82
Merrill Lynch 30-day RA	4.88	4.88
Japan		
Discount rate	0.50	0.50
Call money	0.47	0.45
1-month interbank	0.56	0.56
3-month interbank	0.56	0.56
6-month interbank	0.59	0.59
10-year Govt bond	2.47	2.47
Germany		
Lombard rate	4.50	4.50
Call money	3.15	3.18
1-month interbank	3.25	3.25
3-month interbank	3.25	3.25
6-month interbank	3.25	3.25
10-year Bond	5.52	5.47

Britain	Close	Prev
Bank base rate	6.00	6.00
Call money	6.00	5 7/8
1-month interbank	6 1/16	6 1/16
3-month interbank	6 3/16	6 1/16
6-month interbank	6 5/16	6 5/16
10-year Gilt	7.14	7.20
France		
Intervention rate	3.10	3.10
Call money	3 5/16	3 5/16
1-month interbank	3 1/4	3 5/16
3-month interbank	3 5/16	3 5/16
6-month interbank	3 3/8	3 3/8
10-year OAT	5.39	5.58

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	360.70	359.25	+3.50
London	360.60	358.60	−1.40
New York	361.10	365.10	+4.10

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (April.)
Source: Reuters.

U.S. Growth Is Lower Than Expected

Compiled by Our Staff From Dispatches

WASHINGTON — The U.S. economy grew at a robust 3.9 percent annual rate in the final three months of 1996 but not nearly as strongly as the government had first estimated, while inflation remained low, according to government figures released Friday.

The downward revision in economic growth, from the Commerce Department's initial estimate of a seasonally adjusted 4.7 percent growth rate, actually was a positive signal for growth in the first quarter of this year.

The revision in the gross domestic product — the economy's total output of goods and services — was almost entirely due to a slower buildup in inventories of unsold goods. A slimmer backlog of surplus stocks means that any pickup in consumer demand is more likely to create production increases at the nation's factories.

Farm inventories were also smaller than previously estimated, export growth slowed and defense spending declined, the Commerce Department figures showed.

A measure of inflation tied to GDP — prices paid by U.S. residents — rose at a moderate 2.5 percent annual rate in the October-December period, the same as first estimated.

The GDP price deflator, a measure of price increases followed by Wall Street, grew at an unrevised 1.4 percent pace in the fourth quarter, the lowest reading since the first quarter of 1967, a government spokesman said.

The slower growth in inventories is worrisome, however, because the faster production increases it portends could lead to inflationary bottlenecks in the manufacturing pipeline, analysts said.

"Relatively tight labor markets, lower inventories and strong consumer confidence could ignite inflation," said Bill Cheney, an economist with John Hancock Financial Services. "This report may be a harbinger."

The Dow Jones industrial average, which fell a total of more than 100 points on Wednesday and Thursday, dropped another 50 points by midmorning Friday and finished the day at 6,877.74, down 47.33.

Separately, the National Association of Realtors said sales of existing, single-family homes edged up 2.1 percent to a 3.94 million annual rate in January. In 1996, 4.08 million homes were sold, the most since 1978.

The revision in the fourth-quarter growth rate of 0.8 percentage points was about 0.2 percentage points larger than economists were expecting. It produced a change in the growth estimate for all of 1996. That is now pegged at 2.4 percent, instead of 2.5 percent.

Last year's growth marked an improvement over the 2 percent registered in 1995 but was less than the robust 3.5 percent advance in 1994.

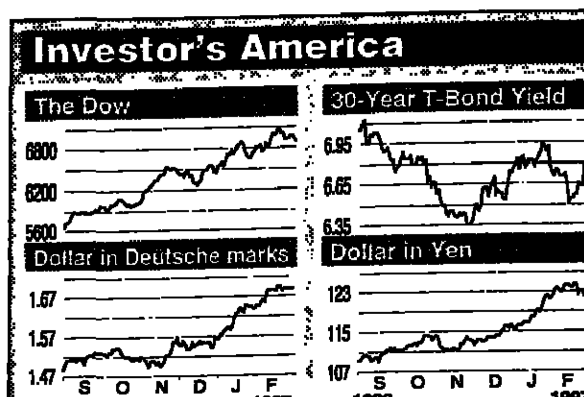
Many economists believe growth this year will continue in the same moderate range as 1996, but they nevertheless look for the Federal Reserve Board to nudge short-term interest rates higher sometime this spring.

The Fed's chairman, Alan Greenspan, warned Congress on Wednesday that the central bank may increase rates even before any measurable increase in

See GDP, Page 10

THE AMERICAS

Investor's America



Exchange	Index	Friday @4PM	Prev. Close	% Change
NYSE	The Dow	6887.74	6925.67	-0.55
NYSE	S&P 500	790.82	795.08	-0.54
NYSE	S&P 100	768.54	773.16	-0.60
NYSE	Composite	416.51	417.89	-0.33
U.S.	Nasdaq Composite	1309.00	1312.73	-0.28
AMEX	Market Value	594.24	595.15	-0.15
Toronto	TSE Index	6154.20	6181.60	-0.45
Sao Paulo	Bovespa	86287.30	86767.80	-0.55
Mexico City	Bolsa	3843.28	3846.90	-0.17
Buenos Aires	Merval	715.99	723.14	-0.98
Santiago	IPSA General	5384.55	5426.80	-0.78
Caracas	Capital General	6716.38	6887.77	-2.53

Source: Bloomberg, Reuters — International Herald Tribune

Very briefly:

Hertz Files to Make Stock Offering

NEW YORK (AFX) — The Ford Motor Co. auto-rental unit Hertz Corp. said Friday that it had filed with the Securities and Exchange Commission for an initial public offering of less than 20 percent of its stock.

The offering will include newly issued Hertz shares.

Ford, in a separate statement, said the offering was consistent with its January announcement that it was considering a variety of strategic alternatives with regard to Hertz.

"Investor interest in the rental car industry has increased dramatically," Vice Chairman Ed Hagenlocker said.

• **Cigna Corp.** is buying **Healthsource Inc.** for $1.7 billion in cash and assumed debt to create a health maintenance organization and medical insurer with 12.3 million customers.

• **Hilton Hotels Corp.** has said federal antitrust regulators are allowing its hostile offer for **ITT Corp.** to proceed, as the waiting period for regulators to examine the $10.5 billion bid expired Thursday. Hilton said about 710,000 ITT shares had been tendered in the offer, out of 122.7 million outstanding.

• **Summit Bancorp** is buying **Collective Bancorp** for $867 million in stock, allowing Summit to expand in southern New Jersey. Summit said it expected to take a charge of $33 million in connection with the purchase.

• **Mitsubishi Estate Co.** has bought the remaining 20 percent of **Rockefeller Group Inc.**, which owns the Time & Life and McGraw-Hill buildings in Rockefeller Center. It bought the rest in 1989, also from Rockefeller family trusts.

• **RJR Nabisco Holdings Corp.** will buy back as much as $200 million of its shares in 1997 and increase its annual dividend by 11 percent, to $2.05 a share.

• **AT&T Corp.**'s president, John Walter, has moved to assuage investors with a revamping that includes several hundred job cuts and makes management more accountable to him.

• **Morgan Stanley Group Inc.**'s chairman and president each earned more than $10 million last year, a Securities and Exchange Commission filing disclosed. *Bloomberg, AP, NYT*

Hong Kong Firm Bids for Barney's

Compiled by Our Staff From Dispatches

NEW YORK — Barney's Inc., a luxury-goods retailer that filed for Chapter 11 bankruptcy protection last year, said Friday it had not yet reviewed a takeover offer from Dickson Concepts (International) Ltd. of Hong Kong.

The company said Dickson's proposal was "to invest in the company as part of Barney's recapitalization" under a company-sponsored reorganization plan.

Dickson, an upmarket retailer with operations in Asia and Europe, including Harvey Nichols Group PLC of Britain and ST Dupont SA of France, offered Barney's owners $240 million in cash and a minority stake in Barney's non-U.S. store licensing income.

Barney's said it had had "numerous discussions" with Dickson regarding a potential investment proposal.

It said it did not receive a formal takeover proposal until early Friday morning and had not had a chance to review it with its financial and legal advisers.

Barney's said it had anticipated the proposal as part of the Hong Kong company's completion of a "due diligence" review of Barney's books and records.

The company added that it had been in talks with potential investors as part of its efforts to develop a reorganization plan that maximizes its value.

Barney's creditors hope Dickson's offer will spur a bidding war from other potential suitors, including possibly Neiman Marcus Group Inc. and Saks Holdings Inc., the owner of Saks Fifth Avenue.

"Dickson has been very successful in running businesses worldwide and they will put their management stamp on this company as well," said Walter Loeb, a retail consultant at Loeb Associates. Dickson's offer might be an "opportunity for others to re-examine" their potential bids and "step up to the plate," he said.

Barney's filed for protection under Chapter 11 of the federal bankruptcy law last in January 1996 amid a cash squeeze and a dispute with its Japanese partner, Isetan Co.

Isetan says Barney's owes it between $200 million and $500 million in rent for stores that were built with its money. Barney's claims the money from Isetan was an investment. Barney's also owes about $350 million to other creditors. *(AP, Reuters, NYT)*

IRS Bans a Tax Dodge

New York Times Service

WASHINGTON — The government has banned a corporate financing maneuver that had exploded in popularity in the last month, calling it a tax dodge that threatened a major loss of revenue for the Treasury.

The action Thursday by the Internal Revenue Service halted billions of dollars of transactions that dozens of companies had hoped to use to borrow money at extremely low cost.

One Treasury Department official, who asked not to be identified, estimated that as much as $20 billion in such deals had been completed or were under way.

The order affects a type of security known as "fast pay" or "step down" preferred stock. The deals rely on capturing for a corporate borrower the tax advantages enjoyed by real estate investment trusts, which are created for purposes of the transaction.

Until last month, Wall Street had used the deals in only a limited way, largely out of fear that they exceeded what was permissible and would be prohibited.

Detailed regulations are still to be written but they will take effect on Thursday.

Official Sees Early Selection for EMU

By Tom Buerkle
International Herald Tribune

BRUSSELS — Abandoning the official position that the European Union will not select the countries to launch a single currency until the spring of 1998, the prime minister of Luxembourg said the decision would effectively be made this autumn.

"During our presidency we will suddenly be in a situation to know more or less who will be in a situation to participate and who will not," said Jean-Claude Juncker, whose government will take over stewardship of the Union in the second half of the year.

Mr. Juncker indicated his preference for an open-ended EU commitment to admit additional countries to monetary union as and when they meet the economic criteria spelled out in the Maastricht Treaty on European Union.

With many German bankers and the Bundesbank arguing to limit the first wave of countries so as to ensure a stable euro, speculation has been rife that EU leaders might commit to reviewing the candidacy of Italy and other southern countries in 2000 or 2001 to soften the blow of their exclusion in 1999.

But Mr. Juncker urged EU leaders to avoid speculation about qualifiers, noting that France and Germany, the presumed core of any monetary union, "would have to make tremendous efforts themselves to meet the criteria."

FOREIGN EXCHANGE

■ Trade Concerns Roil the Dollar

The dollar was mixed against other major currencies Friday on concerns about trade and the timetable for European monetary union, Bridge News reported from New York.

The dollar was at 120.125 yen, down from 120.675 yen Thursday. It was at 1.6888 Deutsche marks, up from 1.6880 DM; at 1.4756 Swiss francs, up from 1.4738 francs; at 5.7060 French francs, up from 5.6040 francs, and at 1,693 lire, up from 1,680 lire. The pound rose to $1.6285 from $1.6260.

The dollar was hurt against the yen by comments from U.S. Treasury Secretary Lawrence Summers that the U.S. is prepared to confront Japan on trade issues and that trade frictions could surface if Japan's surplus surges.

The Italian lira came under severe selling pressure Friday as rumors, later denied, swept the market that the Bundesbank was about to announce a two-year delay of European monetary union. Traders said comments by Prime Minister Romano Prodi that Italy "cannot afford" a delay lent credibility to the rumors.

GDP: *U.S. Growth Falls Short of Forecasts but Remains Robust*

Continued from Page 9

inflation is evident. Growth in the fourth quarter was due mostly to an increase in consumer spending and the fact that exports grew more strongly than imports.

Consumer spending, which accounts for roughly two thirds of the nation's economic activity, rose at a 3.4 percent annual rate.

In other areas, business investment in new plant and equipment grew at a 5.5 percent annual rate. However, many analysts believe that, with corporate profits coming under pressure this year, these investments will slacken.

Residential construction, a source of strength in the first half of 1996, edged lower at a 0.4 percent rate in the final quarter. *(AP, Bloomberg)*

■ Rate Fears Weigh on Stocks

Broad-market averages fell Friday, weighed down by fears the Federal Reserve Board may soon raise interest rates to keep inflation in check, news agencies reported from New York.

U.S. STOCKS

Declining issues outnumbered advancers by more than a 3-to-2 ratio on the New York Stock Exchange. The Standard & Poor's 500-stock index fell 4.25 points to close at 790.82.

The Nasdaq composite index, hard-hit over the past two weeks by profit-taking in the high-flying technology sector, fell 3.67 points to 1,308.99, rebounding from the day's low as several computer-industry bellwethers turned positive.

In late trading Intel rose 2 33/64 to 142½ as the most active Nasdaq issue, while Microsoft was up 1½ at 97⅝ and Dell Computer was up 1⅞ at 72⅛.

Bond prices steadied Friday as the Commerce Department's report of steady growth in the U.S. economy offset concerns that the Fed might raise interest rates. The benchmark 30-year Treasury bond was unchanged at 97 24/32, leaving the yield at 6.80 percent.

Financial shares lost ground for a third day on fears that rising interest rates will cut into profits. In late trading J.P. Morgan fell 2½ to 104⅝, NationsBank was down 1⅜ to 59⅞, First Bank System was down 2⅞ to 78 ¼ and Mellon Bank was off 1 at 81.

Philip Morris rose ¾ to 136¼ after a U.S. judge dismissed a major health-related lawsuit. *(AP, Bloomberg)*

AMEX

Friday's 4 P.M. Close
The top 300 most active shares, up to the closing on Wall Street.
The Associated Press.

Stock	Sales	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

EGYPT

LIBERALIZATION. DEREGULATION. PRIVATIZATION.

Our policies for this stage of our economic program aim at one fundamental goal – growth… one that is sustainable, one that reflects the true potential of this country. To this end our policies rely on three main dimensions of action: Increased investments, greater openness to the global economy, and increased productivity.

– President Mohamad Hosni Mubarak
Inaugural Address Mena Conference
November 12, 1996

WONDER OF THE PAST,
YOUR INVESTMENT FOR THE FUTURE

Press and Information Department, Ministry of Foreign Affairs,
Corniche El-Nil Street, Maspero, Cairo. Tel: 20-2-574-7834 Fax 20-2-574-7248.

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	6889.28	6925.67	6868.12	6877.74	-47.33
Trans	2310.23	2330.88	2311.77	2317.01	-1.85
Util	226.03	228.53	225.96	227.29	+0.21
Comp	2116.77	2130.07	2116.17	2117.51	-9.31

Standard & Poors

	Previous High	Previous Low	Previous Close	Today 4:00
Industrials	940.53	927.82	927.82	923.93
Transp.	559.61	552.03	552.03	554.15
Utilities	196.56	195.57	195.57	196.57
Finance	94.25	92.94	92.94	91.63
SP 500	805.68	795.06	795.07	790.82
SP 100	784.67	773.12	773.16	768.54

NYSE

	High	Low	3PM	Chg.
Composite	417.89	414.78	416.12	—1.77
Industrials	522.46	519.28	521.05	—2.41
Transp.	362.51	359.55	361.09	+0.53
Utility	270.65	268.02	270.27	+1.29
Finance	389.84	386.24	386.64	—3.20

Nasdaq

	High	Low	3PM	Chg.
Composite	1311.83	1297.51	1306.42	—4.24
Industrials	1097.00	1089.68	1094.31	—7.01
Banks	1427.56	1422.89	1423.39	—7.98
Insurance	1493.93	1488.18	1489.71	—4.31
Finance	1750.54	1744.78	1744.78	—13.65
Transp.	848.58	843.53	847.89	+0.04

AMEX

	High	Low	3PM	Chg.
	595.17	593.17	594.01	—1.16

Dow Jones Bond

	Previous Close	Today Noon
20 Bonds	103.17	103.09
10 Utilities	100.06	100.04
10 Industrials	106.28	106.14

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
Hillhrc	100146	21⅞	20⅝	20⅝	+4
Seagate s	64118	50⅝	46⅞	47¼	-3¼
MicrnT	61920	38¼	36⅛	37½	+¾
K mart	56430	12½	11⅞	12¼	+⅛
Compaq	50739	79⅝	75¾	79⅝	+¼
MercFn	50152	3⅛	3	3⅛	—
CentenT s	48008	2⅝	2⅛	2⅜	-⅛
RJR pfC	46075	7⅞	7⅞	7⅞	-⅛
PepsiCo s	44471	33⅛	32⅜	32⅞	-¼
NoestUt	42542	11⅛	10⅛	10¼	-1⅛
GenCigr n	42047	24	22⅞	23	—
McDnlds	40770	43⅝	43⅛	43⅝	-⅛
Motorola	40365	56⅜	55	56	+½
Merck	39367	93¼	91	92	-1⅞
WstgEl	38368	17⅝	17¼	17⅞	+⅛

NASDAQ

	Vol.	High	Low	Last	Chg.
3Com	198856	35⅞	33	33¾	-1⅝
Intel	186136	144⅛	137	141⅞	+2⅝
SyQstTc	161539	3⅜	2½	3⅜	+⅜
Cisco	144413	57⅝	53⅞	55⅞	+⅞
Ascend	114768	56⅝	52¼	52⅝	-4⅛
Microsft s	97035	98⅛	95⅝	97½	+1⅛
US Robt s	95181	60⅝	55½	55⅝	-3⅝
ApldMat	94767	51¾	46¾	50⅝	+2⅛
DellCpt s	94088	73½	55⅝	71½	+1
TeleComA	88828	12⅛	11⅝	11⅞	-⅛
WorldCm s	86251	27½	26⅛	26¾	-⅞
CitrixS	75047	13⅛	11⅝	12⅞	+2
Novell	62124	10½	10	10⅛	-½
PairTch s	59408	32⅛	27¾	29⅞	-2⅝
Intel wt	57074	104⅝	96¾	101⅝	+1⅜

AMEX

	Vol.	High	Low	Last	Chg.
SPDR	24287	79⅞	79⅝	79¾	-⅜
TWA	16390	5⅝	5⅛	5⅛	-⅛
TexBiotch	13354	5⅝	5	5⅛	+1⅛
Harken	12897	4⅝	4½	4⅝	+⅛
ViacB	11533	35½	34⅝	35⅛	+½
TubMex	8128	16½	15⅞	16½	-⅛
EchoBay	7258	7⅝	7½	7¾	+⅛
Nabors	6943	15⅜	14⅞	15⅜	—
BemaGold	6637	8½	8⅛	8⅛	—
GetchGld	5631	51½	48½	51½	+3½

Trading Activity

NYSE

	Noon	Prev.
Advanced	147	238
Declined	276	318
Unchanged	165	171
Total Issues	588	727
New Highs	10	16
New Lows	3	7

AMEX

	Noon	Prev. Close
Advanced	1309	1733
Declined	2167	2292
Unchanged	2267	1717
Total Issues	5743	5742
New Highs	49	130
New Lows	63	105

Nasdaq

Not Available at Press Time

Market Sales

	Today 4:00	Prev. cons.
NYSE	513.11	464.68
Amex	22.44	25.18
Nasdaq	653.71	673.50

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Teva Pharmaceuti	b	.0899	3-11	3-26
STOCK SPLIT				
Advantest Corp 1.1 for 1split;				
PanCdn Petrol 2 for 1split.				
REVERSE STOCK SPLIT				
Telechips Corp 1 for 15reverse split.				
INCREASED				
Pied NaturGas	Q	.305	3-25	4-15
Tri-County Bncp	c	.15	3-4	3-31
c- changed from semi-annual to quarterly.;				
United Bkshrs W	Q	.33	3-14	4-1
REDUCED				
Pitts WV RR.	Q	.13	3-14	3-28
REGULAR				
ASR Invest	Q	.50	3-17	3-31
Aetna Inc	Q	.20	4-25	5-15
BEA Income Fd	M	.06	3-7	3-17
BEA Strategic In	M	.0675	3-7	3-17
Cardinal Health	Q	.025	4-1	4-15
Centex Corp	Q	.05	3-13	4-10
CitiSave Fin	Q	.10	3-17	3-31
CommonSense Mu	M	.055	3-31	3-31
Cracker Barell	Q	.005	3-14	3-28
Eastern Enterpr	Q	.40	3-10	4-2
Engle Homes	Q	.04	3-3	3-27
Executive Risk	Q	.02	3-15	3-31
FFW Corp	Q	.15	3-15	3-31
Fst Amer Fincl	Q	.18	3-31	4-15
Fst Fed Fincl		.07	3-14	3-28
Gabelli Eq	Q	.25	3-20	3-27
Hancock Pat PfDv	M	.096	3-10	3-31
Harris Corp	Q	.38	3-11	3-19
JDN Realty	Q	.475	3-21	3-31
Jones Intercable	Q	.15	3-3	5-15
Laclede Gas	Q	.225	3-11	4-1
Pancdn Petrol g	Q	.20	3-14	3-31
Pharm & Upjohn	Q	.27	4-8	5-2
Public Storage	Q	.22	3-14	3-31
PubStrg Prop XVI	Q	.27	3-31	4-15
PubStrg XVII	Q	.31	3-31	4-15
PubStrg XVIII	Q	.30	3-31	4-15
PubStrg XI	Q	.34	3-31	4-15
PubStrg XIX	Q	.18	3-31	4-15
PubStrg XX	Q	.28	3-31	4-15
Royal Carib	Q	.14	3-10	3-27
Sandy Spring	Q	.21	3-10	3-17
Unionbancal Corp	Q	.35	3-7	4-4

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.
a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99.cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

Feb. 28, 1997

	High	Low	Close	Chge	Opint
Grains					
CORN (CBOT) 5,000 bu minimum- cents per bushel					
Mar 97	297½	293¼	296¼	+¾	45,528
May 97	295½	292¼	295¼		153,795
Jul 97	294½	291	294	+¼	100,783
Sep 97	284¾	281½	283¼	-¼	13,536
Dec 97	282	278	281½	+1	60,879
Est. sales N.A. Thu's. sales 114,715					
Thu's open int 383,585 up 7386					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Mar 97	259.50	253.80	259.40	+3.80	14,341
May 97	254.80	249.80	254.70	+3.40	46,549
Jul 97	251.80	247.00	251.70	+3.10	28,465
Aug 97	246.40	243.80	246.40	+1.00	6,771
Sep 97	237.50	234.00	236.70	+0.20	3,822
Oct 97	222.00	219.80	220.80	-2.20	2,556
Est. sales N.A. Thu's. sales 42,244					
Thu's open int 110,667 up 3222					
SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb					
Mar 97	24.23	23.96	24.22	+0.22	8,333
May 97	24.67	24.36	24.65	+0.16	46,423
Jul 97	25.06	24.75	25.06	+0.15	21,472
Aug 97	25.20	24.95	25.17	+0.14	3,925
Sep 97	25.26	25.10	25.26	+0.14	2,788
Oct 97	25.38	25.15	25.38	+0.15	1,362
Est. sales N.A. Thu's. sales 46,571					
Thu's open int 92,117 off 96798					
SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel					
Mar 97	793	779½	791	+7¾	16,297
May 97	795	781	793¼	+9¼	76,511
Jul 97	793	781	792	+8	50,677
Aug 97	783¼	774½	783¼	+4½	7,445
Sep 97	741	736	741	+2½	3,172
Est. sales N.A. Thu's. sales 92,933					
Thu's open int 180,834 off 1192					
WHEAT (CBOT) 5,000 bu minimum- cents per bushel					
Mar 97	375½	364	373	+4¾	4,154
May 97	376½	368	375¼	+1	25,205
Jul 97	365	358½	364½	-1	35,530
Sep 97	367	362	365½	-3	2,998
Est. sales N.A. Thu's. sales 31,262					
Thu's open int 71,558 off 1291					
Livestock					
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Apr 97	70.35	69.45	69.62	-0.45	42,667
Jun 97	65.82	65.25	65.50	-0.07	20,372
Aug 97	64.60	64.07	64.37	-0.12	19,073
Oct 97	67.95	67.60	67.67	-0.12	12,920
Dec 97	69.85	69.57	69.60	-0.20	5,398
Feb 98	71.02	70.60	70.85	-0.15	2,656
Est. sales N.A. Thu's. sales 17,365					
Thu's open int 103,420 off 647					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Mar 97	68.97	68.35	68.95	+0.62	4,327
Apr 97	69.75	69.15	69.47	+0.42	3,907
May 97	71.95	70.92	71.22	+0.35	5,161
Aug 97	74.30	73.90	74.15	-0.25	4,446
Sep 97	74.65	74.35	74.45	-0.22	1,627
Oct 97	75.50	75.00	75.22	-0.37	2,067
Est. sales N.A. Thu's. sales 3,483					
Thu's open int 22,433 up 82					
HOGS-Lean (CMER) 40,000 lbs.- cents per lb					
Apr 97	74.82	74.15	74.47	-0.47	15,773
Jun 97	80.00	79.57	79.90	-0.05	10,513
Jul 97	77.90	77.50	77.87		2,416
Aug 97	74.60	74.12	74.60		2,201
Oct 97	67.40	66.85	67.20		1,471
Dec 97	65.35	64.80	65.22	-0.17	786
Est. sales N.A. Thu's. sales 9,237					
Thu's open int 31,630 up 334					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb					
Mar 97	82.30	79.55	81.92	-1.20	1,456
May 97	84.10	81.00	83.95	-1.50	4,219
Jul 97	83.00	80.20	82.87	-1.30	1,065
Aug 97	80.00	77.90	79.75	-1.15	505
Est. sales N.A. Thu's sales 3,446					
Thu's open int 7,245 up 99					
Food					
COCOA (NCSE) 10 metric tons- $ per ton					
Mar 97	1263	1246	1246	-16	546
May 97	1308	1282	1286	-17	34,497
Jul 97	1337	1310	1316	-17	18,880
Sep 97	1367	1343	1344	-18	10,737
Dec 97	1394	1374	1374	-20	6,098
Est. sales 6,353 Thu's sales 7,618					
Thu's open int 92,141 up 1136					
COFFEE C (NCSE) 37,500 lbs.- cents per lb					
Mar 97	191.00	182.00	190.40	-7.30	3,209
May 97	177.00	170.25	176.85	-5.75	24,225
Jul 97	167.00	162.00	166.60	-3.80	7,545
Sep 97	158.50	153.50	158.15	-4.30	3,885
Est. sales 9,548 Thu's sales 9,590					
Thu's open int 42,421 up 6					
SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb					
Mar 97	11.50	10.34	11.32	-0.27	4,503
May 97	10.99	10.86	10.97	-0.08	71,683
Jul 97	10.76	10.69	10.72	-0.02	30,250
Oct 97	10.74	10.68	10.73	-0.06	73,046
Est. sales 22,596 Thu's sales 14,443					
Thu's open int 141,654 off 1320					

	High	Low	Close	Chge	Opint
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Mar 97	77.05	75.80	76.40	-0.85	3,830
May 97	80.10	78.60	79.10	-1.20	13,285
Jul 97	83.50	82.00	82.10	-1.25	4,603
Sep 97	86.00	84.60	84.90	-1.40	3,400
Est. sales N.A. Thu's. sales 5,004					
Thu's open int 26,737 off 133					
Metals					
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Mar 97	359.50	359.50	359.50	-1.10	23
Apr 97	365.50	359.80	365.50	+4.50	76,414
Jun 97	368.00	361.90	365.50	+2.30	24,509
Aug 97	368.00	364.80	368.00	+2.40	10,826
Oct 97	370.10	367.50	368.90	+0.80	5,643
Dec 97	373.50	369.40	372.50	+1.80	19,399
Feb 98			367.80		4,155
Apr 98			375.90		1,668
Est. sales N.A. Thu's. sales 108,097					
Thu's open int 175,737 off 6575					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Mar 97	113.80	111.60	113.75	-0.20	9,851
Apr 97	112.80	110.80	112.80	-0.15	2,539
May 97	111.35	109.25	110.90	-0.45	26,021
Jun 97	109.10	108.20	109.10	-0.45	963
Jul 97	107.50	106.10	107.40	-0.45	6,482
Aug 97	105.95	104.90	105.95	-0.40	632
Sep 97	104.60	103.90	104.60	-0.35	2,678
Oct 97	103.70	103.50	103.50	-0.35	601
Nov 97	102.50	102.40	102.50	-0.35	575
Est. sales 1 Thu's. sales 17,568					
Thu's open int 60,231 off 80					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Mar 97	532.50	528.00	527.50	+3.20	5,852
Apr 97			527.00		27
May 97	538.00	525.00	534.00	+4.50	59,690
Jul 97	543.00	530.00	539.00	+4.60	11,152
Sep 97	545.00	539.50	545.00	+5.60	3,375
Dec 97	550.00	545.50	550.00	+3.30	5,430
Jan 98			549.60		14
Mar 98	557.00	557.00	557.00	+2.30	4,586
Est. sales N.A. Thu's. sales 46,655					
Thu's open int 92,995 off 1910					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Apr 97	415.00	389.00	396.00	-0.30	18,941
Jul 97	403.70	391.50	397.50	-0.40	3,021
Oct 97	402.60	396.00	396.00	-3.90	1,994
Jan 98			402.20		1,118
Est. sales N.A. Thu's. sales 9,912					
Thu's open int 25,074 off 100					

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1622½	1623½	1624.00	1626.00
Forward	1650.00	1651.00	1653.00	1655.00
Copper Cathodes (High Grade)				
Spot	2428.00	2431.00	2458½	2460½
Forward	2372.00	2374.00	2391.00	2392.00
Lead				
Spot	723.00	725.00	663½	665½
Forward	695.00	696.00	667.00	669.00
Nickel				
Spot	7985.00	7990.00	8020.00	8030.00
Forward	8075.00	8080.00	8110.00	8120.00
Tin				
Spot	5750.00	5760.00	5760.00	5770.00
Forward	5805.00	5810.00	5810.00	5820.00
Zinc (Special High Grade)				
Spot	1205½	1206½	1211½	1212½
Forward	1225.00	1226.00	1232.00	1233.00

	High	Low	Close	Chge	Opint
Financial					
US T. BILLS (CMER) $1 million- pts of 100 pct.					
Mar 97	94.94	94.92	94.92	-0.02	4,157
Jun 97	94.78	94.75	94.77	-0.01	4,364
Sep 97	94.59	94.56	94.56	-0.01	1,511
Dec 97			94.48		847
Est. sales N.A. Thu's. sales					
Thu's open int					
5 YR. TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct					
Mar 97	106-07	105-56	106-02	+02	115,233
Jun 97	105-53	105-36	105-48	+02	114,282
Sep 97			105-33		3
Est. sales N.A. Thu's. sales 141,927					
Thu's open int 229,518 up 4813					
10 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Mar 97	108-14	108-04	108-10	+02	180,593
Jun 97	107-25	107-15	107-22	+03	136,976
Sep 97	107-05	107-04	107-05	+03	5,115
Est. sales N.A. Thu's. sales 210,132					
Thu's open int 322,685 off 11375					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Mar 97	111-03	110-19	110-30	-06	280,531
Jun 97	110-20	110-03	110-15	-07	272,372
Sep 97	110-02	109-24	109-30	-07	10,942
Dec 97	109-21	109-21	109-21	-07	4,283
Est. sales N.A. Thu's. sales 607,828					
Thu's open int 568,193 off 11252					
GERMAN GOVERNMENT BUND (LIFFE) DM250,000 - pts of 100 pct					
Mar97	103.98	103.15	103.18	-0.46	213,454
Jun97	103.16	102.35	102.36	-0.48	120,791
Sep97	N.T.	N.T.	101.51	-0.48	
Est. sales: 306,082 Prev sales: 289,900					
Prev open int.: 334,695 up 7,869					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Mar97	113-15	112-07	112-11	-0-28	110,697
Jun97	112-29	111-23	111-27	-0-28	159,793
Sep97	N.T.	N.T.	111-12	-0-28	
Est. sales 126,732 Prev. sales. 171,094					
Prev open int. 270,490 up 14,275					

	High	Low	Close	Chge	Opint
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Mar 97	132.76	132.42	132.42	+0.02	134,011
Jun 97	131.48	131.14	131.16	+0.02	26,963
Sep 97	129.68	129.64	129.50	+0.02	1,782
Dec 97	N.T.	N.T.	98.72	+0.02	0
Est. volume: 172,984. Open int.: 162,756 up 2,545.					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Mar 97	94.44	94.42	94.42	-0.01	374,530
Apr 97	94.37	94.35	94.36	-0.01	9,096
May 97	94.30	94.27	94.28	-0.02	10,729
Jun 97	94.23	94.18	94.20	-0.02	406,090
Sep 97	94.03	93.97	94.00	-0.02	307,388
Dec 97	93.82	93.76	93.80		234,954
Mar 98	93.71	93.65	93.68	-0.01	189,689
Jun 98	93.60	93.55	93.58		147,418
Sep 98	93.53	93.48	93.51		113,211
Dec 98	93.43	93.37	93.41		89,182
Mar 99	93.42	93.37	93.40	+0.01	69,383
Jun 99	93.36	93.31	93.35	+0.02	69,870
Sep 99	93.31	93.26	93.30	+0.02	53,853
Dec 99	93.23	93.18	93.22	+0.02	46,296
Est. sales N.A. Thu's. sales 713,947					
Thu's open int 2,386,172 off 4461					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Mar 97	1.6310	1.6170	1.6298		34,733
Jun 97	1.6288	1.6224	1.6280		2,870
Sep 97			1.6188		1,233
Dec 97			1.6156		8
Est. sales N.A. Thu's. sales 5,835					
Thu's open int 38,844 off 315					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Mar 97	.7330	.7311	.7318		44,099
Jun 97	.7374	.7353	.7362		14,950
Sep 97	.7415	.7403	.7414		3,729
Dec 97	.7454	.7448	.7454		767
Est. sales N.A. Thu's. sales 14,540					
Thu's open int 63,633 up 4437					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Mar 97	.5949	.5903	.5929		91,288
Jun 97	.5984	.5940	.5961		9,178
Sep 97	.5991	.5991	.5991		2,430
Dec 97			.6037		25
Est. sales N.A. Thu's. sales 26,947					
Thu's open int 102,921 up 22859					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Mar 97	.8350	.8273	.8340		75,250
Jun 97	.8450	.8378	.8448		5,443
Sep 97	.8548	.8510	.8538		670
Est. sales N.A. Thu's. sales 27,251					
Thu's open int 81,528 up 81527					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Mar 97	.6812	.6763	.6788		50,043
Jun 97	.6868	.6833	.6855		3,957
Sep 97	.6910	.6910	.6910		1,778
Est. sales N.A. Thu's. sales 14,570					
Thu's open int 55,799 off 847					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Mar97	96.77	96.75	96.76	Unch.	181,185
Apr97	96.80	96.79	96.79	Unch.	6,166
May97	96.79	96.79	96.79	Unch.	2,806
Jun97	96.79	96.76	96.76	-0.02	184,798
Sep97	96.73	96.70	96.70	Unch.	167,573
Dec97	96.60	96.56	96.56	-0.01	177,479
Mar98	96.47	96.40	96.41	-0.01	129,166
Jun98	96.29	96.22	96.23	-0.01	118,813
Sep98	96.09	96.03	96.03	-0.01	82,605
Dec98	95.85	95.79	95.79	-0.02	71,555
Mar99	95.62	95.57	95.57	-0.02	49,391
Jun99	95.41	95.37	95.35	-0.03	25,637
Sep99	95.16	95.14	95.11	-0.03	22,940
Est. sales: 182,997. Prev. sales: 219,400					
Prev. open int.: 1,251,383 up 22,939					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Mar97	93.73	93.70	93.71	-0.02	100,512
Jun97	93.54	93.44	93.44	-0.09	126,459
Sep97	93.34	93.22	93.22	-0.10	88,861
Dec97	93.20	93.08	93.08	-0.11	58,113
Mar98	93.10	92.98	92.98	-0.11	39,741
Jun98	93.02	92.88	92.88	-0.13	37,055
Sep98	92.93	92.82	92.81	-0.12	21,886
Dec98	92.86	92.74	92.74	-0.11	19,130
Mar99	92.79	92.74	92.67	-0.11	18,145
Jun99	92.74	92.67	92.61	-0.11	7,495
Sep99	92.67	92.60	92.58	-0.09	7,236
Est. sales: 88,094. Prev. sales: 68,186					
Prev. open int.: 521,498 up 905					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Mar 97	96.67	96.65	96.65	+0.01	47,961
Jun 97	96.68	96.64	96.65	+0.01	52,266
Sep 97	96.64	96.59	96.61	+0.03	36,123
Dec 97	96.57	96.52	96.53	+0.03	29,938
Mar 98	96.47	96.43	96.44	+0.03	18,060
Jun 98	96.34	96.31	96.31	+0.03	16,207
Sep 98	96.19	96.15	96.16	+0.04	11,888
Dec 98	95.99	95.96	95.96	+0.04	9,968
Mar 99	95.79	95.76	95.76	+0.04	12,865
Jun 99	95.54	95.51	95.54	+0.03	6,501
Sep 99	N.T.	N.T.	95.32	+0.04	4,540
Dec 99	95.08	95.08	95.11	+0.03	4,240
Est. volume: 69,479. Open int.: 250,557 off 1,458.					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Mar97	92.80	92.62	92.63	-0.17	74,135
Jun97	93.32	93.00	93.01	-0.29	100,364
Sep97	93.40	93.26	93.26	-0.33	48,809
Dec97	93.68	93.30	93.33	-0.35	34,437
Mar98	93.61	93.45	93.31	-0.36	20,061
Jun98	93.58	93.48	93.26	-0.37	13,239
Est. sales: 115,431. Prev. sales: 77,462					
Prev. open int.: 291,845 off 1,550					
Industrials					
COTTON 2 (NCTN) 50,000 lbs.- cents per lb					
Mar 97	74.40	73.85	73.87	-0.33	423
May 97	75.95	75.60	75.63	-0.24	31,595
Jul 97	77.00	76.70	76.80	-0.16	11,891
Oct 97	77.35	77.25	77.25	-0.10	1,365
Dec 97	77.30	77.10	77.30		14,333
Mar 98	78.00	78.00	78.00	-0.13	1,083
Est. sales N.A. Thu's. sales 5,289					
Thu's open int 61,465 off 1393					
HEATING OIL (NMER) 42,000 gal, cents per gal					
Mar 97	55.90	54.05	55.00	-1.03	13,784
Apr 97	54.55	53.30	53.95	-0.64	35,879
May 97	53.65	53.00	53.40	-0.54	11,259
Jun 97	53.55	52.95	53.50	-0.34	10,323
Jul 97	53.95	53.20	53.95	-0.09	10,884
Aug 97	54.65	54.30	54.65	+0.01	6,238
Sep 97	55.60	55.05	55.40	+0.11	5,270
Oct 97	56.10	55.75	56.00	+0.06	3,281
Nov 97	56.70	56.40	56.60	+0.06	3,451
Dec 97	57.20	56.90	57.10	+0.01	7,155
Est. sales N.A. Thu's. sales 49,523					
Thu's open int 117,517 off 810					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Apr 97	20.86	20.52	20.63	-0.26	86,073
May 97	20.60	20.31	20.42	-0.22	48,311
Jun 97	20.40	20.14	20.28	-0.14	42,607
Jul 97	20.15	20.00	20.13	-0.11	23,241
Aug 97	20.04	19.90	20.00	-0.11	18,083
Sep 97	19.95	19.83	19.95	-0.06	13,317
Oct 97	19.86	19.76	19.85	-0.09	12,970
Nov 97	19.82	19.76	19.82	-0.07	11,295
Dec 97	19.85	19.70	19.80	-0.05	26,959
Jan 98	19.83	19.70	19.78	-0.06	14,173
Feb 98	19.83	19.73	19.83		8,689
Mar 98	19.81	19.80	19.80	-0.03	2,283
Apr 98			19.83		3,476
Est. sales N.A. Thu's. sales 69,083					
Thu's open int 396,683 up 5494					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Apr 97	1.865	1.800	1.830		33,188
May 97	1.910	1.855	1.880		18,780
Jun 97	1.920	1.875	1.905		11,059
Jul 97	1.930	1.880	1.918		10,365
Aug 97	1.935	1.900	1.920		8,642
Sep 97	1.945	1.910	1.925		7,230
Oct 97	1.970	1.940	1.965		9,388
Nov 97	2.110	2.080	2.105		5,545
Dec 97	2.255	2.225	2.255		8,952
Jan 98	2.285	2.255	2.280		9,189
Feb 98	2.205	2.190	2.290		3,422
Est. sales N.A. Thu's. sales 23,441					
Thu's open int 158,177 up 1667					
UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal					
Mar 97	62.65	61.25	61.60	-1.07	10,562
Apr 97	63.75	62.80	63.10	-0.62	38,543
May 97	63.20	62.60	62.90	-0.50	17,818
Jun 97	62.35	62.00	62.25	-0.40	12,158
Jul 97	61.20	60.90	61.20	-0.25	5,503
Aug 97	59.90	59.80	59.80	-0.25	3,672
Est. sales N.A. Thu's. sales 40,753					
Thu's open int 91,554 up 2965					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
CAC 40 (MATIF) FF200 per index point					
Feb 97	2633.0	2608.0	2611.7	-21.30	9,529
Mar 97	2640.5	2614.0	2624.0	-16.00	34,288
Apr 97	2638.0	2621.0	2625.0	-16.00	694
Jun 97	2593.5	2580.0	2591.5	-16.00	3,676
Sep 97	N.T.	N.T.	2603.5	-15.00	7,115
Mar 98	N.T.	N.T.	2641.5	-16.00	8,029
Sep 98	N.T.	N.T.	2620.0	-16.00	1,210
Est. volume: 41,658. Open int.: 64,541 up 981.					
BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels					
Apr 97	19.26	18.80	18.85	-0.50	52,906
May 97	19.01	18.58	18.62	-0.48	49,070
June 97	18.87	18.60	18.64	-0.30	20,551
July 97	18.76	18.60	18.58	-0.26	12,915
Aug 97	18.71	18.60	18.55	-0.23	4,809
Sep 97	18.66	18.60	18.53	-0.20	6,423
Oct 97	18.63	18.55	18.51	-0.18	4,012
Nov97	18.64	18.42	18.49	-0.15	3,851
Est. sales: 52,000. Open int.: 168,248 up 2,403					
Stock Indexes					
S&P COMP. INDEX (CMER) 500 x index					
Mar 97	797.80	789.70	793.70	+1.20	179,184
Jun 97	805.00	797.50	801.50	+1.40	22,062
Sep 97	807.40	807.00	807.40	-0.90	2,233
Dec 97			816.10		2,182
Est. sales N.A. Thu's. sales 83,747					
Thu's open int 205,661 off 140					

Commodity Indexes

	Close	Previous
Moody's	1,528.60	1,521.30
Reuters	1,950.70	1,958.60
D.J. Futures	159.22	158.51
CRB	242.41	242.72

	High	Low	Close	Chge	Opint
FTSE 100 (LIFFE) £25 per index point					
Mar97	4323.0	4314.0	4285.0	-45.0	57,735
Jun97	4334.0	4334.0	4304.5	-45.5	7,341
Sep97	N.T	N.T	4331.0	-45.0	2,187
Est. sales: 18,512. Prev. sales: 9,277					
Prev. open int.: 67,263 up 93					

Commodity Indexes

	Close	Previous
Moody's	1,528.60	1,521.30
Reuters	1,950.70	1,958.60
D.J. Futures	159.22	158.51
CRB	242.41	242.72

Stock	Sales	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Italy's Growth Stalls As France Reports 18,100 More Jobless

Compiled by Our Staff From Dispatches

The Italian economy ended 1996 on a low note, as falling industrial output braked growth, the national statistics office Istat said Friday.

Also on Friday, the French Labor Ministry said the number of unemployed had risen by 18,100 in January to just short of 3.1 million and that the rate of unemployment remained stuck at the record 12.7 percent it reached in November.

Italy's gross domestic product grew just 0.8 percent in 1996, according to provisional figures, after rising 3 percent in 1995. The economy contracted 0.1 percent in the fourth quarter from the third quarter.

An Istat spokesman said the decline in growth in the final quarter had been caused largely by a drop in industrial output, which was only partially offset by a slight improvement in the service sector.

The statistics office gave no further details but figures released last week showed industrial production in December had tumbled 3.1 percent from December 1995.

Full GDP data for 1996 will be presented to Parliament by the end of March.

In Paris, the French government said an improving economy had bolstered business confidence and would soon begin to produce jobs, but it shied away from predicting when the record 12.7 percent unemployment rate would fall.

The January rise in joblessness followed a drop of 29,000 in December, but economists have dismissed that decrease, as well as another in October, as statistical aberrations, and have said that unemployment remained on the rise. Some say it could reach 13 percent this year.

But the government noted that a survey released later in the day of business leaders showed their confidence in growth at a 19-month high. Paris is counting on economic growth of at least 2.3 percent this year, up from 1.3 percent in 1996, to create jobs. *(Reuters, Bloomberg)*

■ German Churches in Debate

German Roman Catholic and Protestant churches leaped into a heated debate over the country's stalled economic reform with a joint warning Friday on the evils of mass unemployment and excesses of capitalism, Reuters reported from Bonn.

Leaders of the German Catholic Bishops' Conference and Protestant Churches in Germany said the 12.2 percent unemployment rate was a catastrophe and urged the government to work with industry and labor to solve economic problems.

Meanwhile, leaders of the governing coalition and the opposition Social Democrats said there was room for compromise on the top income-tax rate, the most controversial issue in the rewriting of tax laws.

BA Backs Building Of 'Superjumbos'

Agence France-Presse

LONDON — British Airways PLC said Friday that the development of "superjumbo" jetliners was the best way of meeting the demands of the growing market for air travel.

Aircraft capable of carrying more than 500 passengers "provide the best way to meet the growth in several markets, make efficient use of slots at busy airports around the world and also address the intense economic pressure to reduce costs per seat," the airline said.

The comments follow a decision by Boeing Co., the world's leading civil aviation manufacturer, to scrap plans to develop such aircraft, which have been dubbed "flying hotels."

The U.S. company said that a decision by the European consortium Airbus Industrie to press on with its own development plans amounted to "financial suicide."

Boeing argued that over the next 20 years, there would be demand for just 500 aircraft able to carry more than 500 passengers.

But Bob Ayling, British Airways' chief executive, said that "there is no basis for assuming that larger aircraft, including 600-seaters, will not be flying in significant numbers" early in the next century. Airbus has set a target date of 2003 for putting a superjumbo in service.

A Shrinking Defense Industry

Siemens and Daimler-Benz Signal Readiness to Exit

Bloomberg News

LONDON — Siemens AG and Daimler-Benz AG signaled that the pace of consolidation in the European defense industry was quickening as they separately announced plans on Friday to cut their links to the business.

In Munich, Siemens said it was in talks to sell all or part of its military electronics business, which makes radar and communications equipment. Daimler, based near Stuttgart, confirmed it was looking for a partner for its missile-making unit.

For Europe's defense industry, struggling to cope with lower defense spending after the end of the Cold War, the moves cement a growing trend by smaller companies either to increase their size or to get out of defense.

"It's happening everywhere," said Peter Roe, an analyst at Paribas Capital Markets in London. "Defense is getting to be a big boy's game. It's a market where you have to have scale."

Siemens said that, although its defense electronics business is profitable, in the long term it is not big enough to compete in Europe's defense market. The unit had a profit of 63 million Deutsche marks ($37.3 million) in its 1996 financial year on sales of 1.8 billion DM, making it less than 2 percent of Siemens' 94 billion DM in total sales.

Big mergers in the United States, such as Lockheed Corp. with Martin Marietta Corp. in 1995 and the planned union of Boeing Co. and McDonnell Douglas Corp., have underscored the importance of size in the industry. Daimler and British Aerospace PLC both are pushing hard for European defense companies to combine.

Siemens, too, recognizes the trend. "Siemens is a small player. The market is shrinking. We have to think about how this division is going to look in 10 years," a Siemens spokesman said, adding that it will either sell the unit or find a partner "for whom this area is a core business."

For Siemens, the decision to leave the business could have been pushed along earlier this year when Britain canceled a £50 million ($81.5 million) contract to buy an intelligence-gathering system called Vixen and by delays in the British army's £2 billion Bowman battlefield data and radio system, now years behind schedule.

Thomson-CSF of France and General Electric Co. of Britain are the two leading defense electronics makers in Europe, and Racal Electronics PLC in Britain also competes with Siemens' defense unit, called Siemens-Plessey Systems.

At Daimler-Benz's aerospace unit, executives said they were looking for a partner for the missile business. Daimler-Benz Aerospace is under pressure to consolidate after British Aerospace and Lagardere formed a venture last year to become the region's biggest missile maker. There, too, Daimler's missile unit competes with GEC, Thomson-CSF and a number of other missile makers for a shrinking pool of work.

U.S. Demand Lifts Net for Porsche

Bloomberg News

FRANKFURT — Porsche AG said Friday its first-half net profit almost quadrupled as strong demand for its sports cars, particularly the 911 model sold in the United States, lifted unit sales 32.7 percent.

Earnings rose to 38.4 million Deutsche marks ($22.7 million) in the six months ended Jan. 31, from 10.3 million DM in the comparable period a year earlier.

Porsche is the first German carmaker to report earnings in a year when new products, streamlined plants and a weaker Deutsche mark are expected to spur strong profit growth.

Most first-half growth came from the United States, its biggest market, where unit sales rose 56.7 percent, to 6,558 cars. German sales rose 21.5 percent. Exports excluding the United States rose 13.2 percent.

The company said the dollar, which has strengthened almost 15 percent against the mark since last August, has helped to lift earnings.

Porsche shares closed Friday at 1,900 DM, down 25 DM. The stock has risen more than 40 percent since the announcement of preliminary first-half earnings in January.

Porsche repeated earlier forecasts that 1997 sales would rise to more than 30,000 cars from 20,000 the year before, lifting revenue to about 3.5 billion DM, compared with 2.8 billion DM in 1996.

LVMH Sees 6% Gain in Operating Profit

Bloomberg News

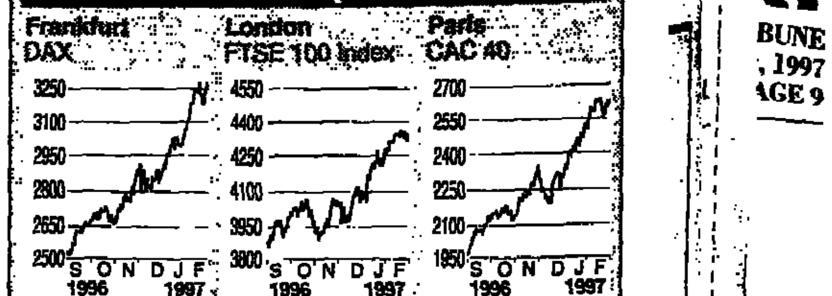
PARIS — LVMH Moet Hennessy Louis Vuitton SA said Friday it expected operating profit for 1996 to be 6 percent greater than the 4.05 billion French francs ($710.4 million) it posted in 1995. It also confirmed it would "shortly" complete its purchase of DFS Group Ltd., the No. 1 retailer of duty-free products.

LVMH, a major producer of luxury products, said DFS would have added to the operating profit if it had been included in the 1996 results.

LVMH shares closed in Paris down 69 francs, at 1,332. Traders said investors were concerned about weak DFS earnings. LVMH, when it announced 1996 sales on Jan. 30, said the DFS purchase would have a negative effect on 1997 net profit.

A report that DFS's 1996 net profit fell 15 percent contained "numerous inaccuracies," LVMH said.

Investor's Europe



Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	AEX	737.46	747.15	-1.30
Brussels	BEL-20	2,142.42	2,146.55	-0.19
Frankfurt	DAX	3,259.64	3,276.72	-0.52
Copenhagen	Stock Market	532.61	533.79	-0.22
Helsinki	HEX General	2,893.49	2,920.00	-0.91
Oslo	OBX	585.07	590.37	-0.90
London	FTSE 100	4,308.30	4,339.20	-0.71
Madrid	Stock Exchange	465.18	469.41	-0.54
Milan	MIBTEL	11,745.00	11,929.00	-1.54
Paris	CAC 40	2,607.55	2,629.48	-0.83
Stockholm	SX 16	2,804.08	2,828.71	-0.87
Vienna	ATX	1,222.65	1,235.79	-1.06
Zurich	SPI	2,851.56	2,870.13	-0.65

Source: Telekurs — International Herald Tribune

Very briefly:

- **Postabank**, Hungary's third largest bank, was hit by a run Friday as thousands of depositors rushed to withdraw their savings, but government and bank officials said there was no justification for the panic, which was sparked by rumors that Postabank had been hit by big losses.
- **Dresdner Bank** said that a group of international banks it is leading had granted the Russian gas giant **RAO Gazprom** an eight-year loan worth $2.5 billion. The loan, which was not guaranteed by any government institutions, was aimed at financing construction of the Yamal-Europe gas pipeline.
- **The German government** said it would allow the Post Office to take a stake of up to 17.5 percent in **Deutsche Postbank AG**, clearing the way for privatization of the postal authority's banking arm later this year.
- **The European Commission** is poised to demand major changes in the link between **Anglo American Corp.**, the South African mining giant, and **Lonrho PLC**, the British conglomerate, partly due to concerns about the role of the Oppenheimers, a powerful South African family, European Union sources said.
- **General Motors Corp.**, the U.S. automaker, named Hans Wilhelm Gaeb chairman of the supervisory board of its Germany subsidiary, Adam Opel AG. Mr. Gaeb, 60, who has been on the board since 1989, takes over July 1 from Ferdinand Schwenger, 70. Mr. Gaeb will also take up the new position of vice president of General Motors Europe.
- **Telefonica SA**, the newly privatized Spanish telecommunications group, said net profit rose 20.3 percent in 1996, to 160.28 billion pesetas ($1.12 billion) as a result of larger business volume and cost cuts.
- **Neste Oy**, the Finnish oil and gas group, reported a pretax profit of 745 million markkaa ($148.2 million) for 1996, down from 1.36 billion markkaa the previous year. The government holds a majority share in the company. *Reuters, AFP, AP*

WORLD STOCK MARKETS

Friday, Feb. 28
Prices in local currencies.
Telekurs

Amsterdam — AEX index: 737.46 Previous: 747.15

	High	Low	Close	Prev.
ABN-AMRO	139.90	135.60	136.30	140
Aegon	128	125.60	125.90	128
Ahold	125	122	122.70	124.40
Akzo Nobel	277.20	273.20	273.50	279
Baan Co.	87.40	86	86.30	88.40
Bols Wess cva	33.80	33.30	33.30	33.60
CSM cva	111.80	108.50	108.90	112
Dordtsche Pet	351.50	349	349	353
DSM	190	187.30	190	188.50
Elsevier	30.70	30.10	30.40	30.30
Fortis Amev	74.50	72.40	73	74.50
Getronics	65	61.60	62	65
G-Broc cva	66.30	64	64.30	65.20
Hagemeyer	170	165	165.90	168.50
Heineken	338.80	331.50	336.60	333
Hoogovens cva	86.50	84.20	85.60	84.40
Hunt Douglas	146	142.20	143.50	146.50
ING Group	75.50	73.30	73.50	75.40
KLM	58.50	57	58.20	56.70
KNP BT	43.70	43	43.40	43.20
KPN	69	68	68	69
Nedlloyd Gp	56.30	55	55.80	55.50
Nutricia	288.80	286.50	288	287.50
Oce Grinten	239.40	237.10	237.10	238
Philips Elec	86.30	84.80	85.70	86.20
Polygram	87.20	85.10	87	85.60
Randstad Hdg	150.50	145.50	146.90	147
Robeco	161.70	160.30	161.50	162.20
Rodamco	61.10	60.30	60.40	61.20
Rolinco	165.40	164.70	165.40	165.80
Rorento	110.90	110.30	110.30	110.60
Royal Dutch	331.50	328.50	328.60	332.50
Unilever cva	368	360.10	361.80	370.70
Vendex Intl	88.50	87.40	87.70	88
VNU	39.90	39.20	39.30	39.60
Wolters Kl cva	246	242.50	243.60	243.50

Bangkok — SET index: 727.56 Previous: 726.81

	High	Low	Close	Prev.
Adv Info Svc	250	232	250	238
Bangkok Bk F	236	226	228	226
Krung Thai Bk	39	37.50	38.50	39.50
PTT Explor	318	312	318	323
Siam Cement F	696	672	692	704
Siam Com Bk F	147	136	147	142
Telecomasia	47.75	45.25	47	46.50
Thai Airways	42	40	40.50	40.75
Thai Farm Bk F	153	147	153	154
Utd Comm	160	158	160	159

Bombay — Sensex 30 index: 3652.99 Previous: 3427.87

	High	Low	Close	Prev.
Bajaj Auto	970	890.50	896.50	899.75
Hindust Lever	915.25	901	904.50	900
Hindust Petlm	388	380.50	381	380.50
Ind Dev Bk	92	89.50	89.50	88
ITC	410.75	396	407	388.75
Mahanagar Tel	240.50	236	238	236
Reliance Ind	274.75	271.25	272.25	266.50
State Bk India	287.50	282.75	284	279
Steel Authority	21	20	20.25	19.25
Tata Eng Loco	356	346	346.75	347.75

Brussels — BEL-20 index: 2142.42 Previous: 2146.55

	High	Low	Close	Prev.
Almanij	13300	13250	13250	13000
Barco Ind	5990	5940	5940	5960
BBL	7600	7520	7540	7550
CBR	3310	3280	3295	3300
Colruyt	14900	14775	14800	15000
Delhaize Lion	2050	2015	2045	2030
Electrabel	8100	7980	8030	8040
Electrafina	3335	3300	3335	3300
Fortis AG	6150	6050	6070	6110
Gevaert	2545	2520	2520	2540
GBL	4810	4760	4790	4820
Gen Banque	13025	12775	12875	12875
Kredietbank	12675	12400	12600	12500
Petrofina	12475	12375	12475	12475
Powerfin	5040	4985	5000	5000
Royale Belge	8170	8100	8160	8130
Soc Gen Belg	2940	2870	2875	2880
Solvay	21400	21275	21375	21425
Tractebel	15100	15025	15100	15125
UCB	94400	93800	94300	94600

Copenhagen — Stock Index: 532.81 Previous: 533.79

	High	Low	Close	Prev.
BG Bank	299	290	290	299
Carlsberg B	398	394	396	396
Codan Fors	955	950	955	950
Danisco	390	385	390	386
Den Danske Bk	585.27	574	576	585.33
D/S Svendborg B	269000	264669	267768	265000
D/S 1912 B	188000	183500	186000	184000
FLS Ind B	855	845	855	840
Kob Lufthavne	661	654	660	655
Nvo Nordsk B	621	607	618	610
Sophus Ber B	880	868	870	878
Tele Danmk B	341	330	335	339
Tryg Baltica	369	359	362	367
Unidanmark A	340	335	338	335

Frankfurt — DAX: 3259.64 Previous: 3276.72

	High	Low	Close	Prev.
AMB B	1050	1050	1050	1060
Adidas	161.50	161	161.50	160
Allianz Hdg	3310	3270	3285	3337
Altana	1435	1420	1430	1391
Bk Berlin	32.50	32.30	32.30	32.80
BASF	62.70	62.15	62.25	62.87
Bayer Hypo Bk	50.40	49.65	49.90	50.55
Bay Vereinsbank	62.05	61.80	61.95	62.70
Bayer	71.25	70.80	71.25	71.40
Beiersdorf	92.40	91.50	91.80	92.30
Bewag	472	469	472	469
BMW	1140	1123	1136	1139
CKAG Colonia	154	152.50	153	152.50
Commerzbank	43.65	43.40	43.42	44
Daimler Benz	122.80	122.30	122.45	123
Degussa	720	712	720	717
Deutsche Bank	87.65	87.35	87.60	88.08
Deut Telekom	32.51	32.30	32.50	32.55
Dresdner Bank	56.05	55.70	56	56.20
Fresenius	348	343	348	347
Fresenius Med	160.50	158.20	160	161.20
Fried. Krupp	270	264	269.80	266.20
Gehe	115	113	114	111.80
Heidelbg Zmt	139	138.20	139	139.30
Henkel pfd	90	89.10	90	89.20
HEW	482	482	0.00	0.00
Hochtief	73.80	73	73.50	73.20
Hoechst	72.65	70.60	71.60	71.15
Karstadt	553	550	552	552.50
Linde	1125	1093	1100	1115
Lufthansa	22.65	22.25	22.40	22.90
MAN	433	431	431.50	434
Mannesmann	670	663	666.50	672
Metallgesellschaft	35.99	34.85	35.99	34.84
Metro	148.50	143	148	141.95
Munch Rueck R	4340	4190	4230	4285
Preussag	436	432	433.50	427.50
Rheinelektra	1220	1217	1220	1220
RWE	75.80	75.20	75.70	76.70
SAP pfd	260	255	259.50	264.50
Schering	153.80	151.50	153.10	151.80
SGL Carbon	230	229	230	229.50
Siemens	85.60	85.20	85.35	85.60
Springer (Axel)	1180	1180	0.00	0.00
Suedzucker	764	760	764	760
Thyssen	363	356.10	358.10	359.70
Veba	97.60	96.35	96.60	97.65
VEW	502	501	501	502
Viag	746	740	745.50	742
Volkswagen	822	818	818	809

Helsinki — HEX General index: 2893.49 Previous: 2920.00

	High	Low	Close	Prev.
Enso A	44.50	43	43.40	43.80
Huhtamaki I	236	232	236	235
Kemira	57.30	57	57	57
Kesko	74.50	73.50	73.60	74
Merita A	18.40	17.80	18.10	18.50
Metra B	300	298.50	300	299
Metsa-Serla B	42.50	42	42	43
Neste	144	138	140	144.50
Nokia A	304.20	302	303.50	309
Orion-Yhtymae	185	181.50	182	183.50
Outokumpu A	88.80	86.50	88	89.10
UPM-Kymmene	106	104.70	106	106
Valmet	95.50	91.50	91.50	93.70

Hong Kong — Hang Seng: 13398.72 Previous: 13546.60

	High	Low	Close	Prev.
Amoy Props	9.45	9.20	9.25	9.50
Bk East Asia	28.40	27.95	28.25	27.95
Cathay Pacific	12.40	12	12.05	12.40
Cheung Kong	74.75	73.25	73.75	73.50
CK Infrastruct	22.15	21.60	21.90	22.15
China Light	36	35.60	35.80	35.70
Citic Pacific	39.60	38.90	39.50	39.10
Dao Heng Bk	40	39.80	39.80	39.90
First Pacific	11	10.80	10.85	11
Hang Lung Dev	15.70	15.55	15.60	15.70
Hang Seng Bk	91.25	89.25	89.50	91.25
Henderson Inv	8.75	8.65	8.70	8.70
Henderson Ld	70	68.25	69.25	70.50
HK China Gas	15	14.65	14.65	14.55
HK Electric	27.35	26.70	26.80	27.40
HK Telecomm	13.55	13.30	13.30	13.55
Hopewell Hdgs	4.75	4.58	4.63	4.75
HSBC Hdgs	190	187	189	191
Hutchison Wh	59.50	58.25	59	59.75
Hysan Dev	27.30	26.50	27.15	27.40
Johnson El Hdg	21.75	21.35	21.40	21.85
Kerry Props	20.55	19.70	20	20.30
New World Dev	48.20	47.70	48	48.20
Oriental Press	3.48	3.20	3.23	3.33
Pearl Oriental	6.40	6.10	6.35	6.15
SHK Props	90.50	89.25	89.75	90.50
Shun Tak Hdgs	5.60	5.45	5.50	5.60
Sino Land Co.	8.95	8.80	8.90	8.95
Sth China Post	7.40	6.95	6.95	7.40
Swire Pac A	67.75	66.50	66.50	68
Wharf Hdgs	35	34	34.40	35.10
Wheelock	21.05	20.60	20.85	21.20

Jakarta — Composite index: 705.37 Previous: 709.32

	High	Low	Close	Prev.
Astra Intl	6275	6200	6200	6300
Bk Intl Indon	2025	2000	2000	2000
Bk Negara	1725	1650	1725	1675
Gudang Garm	11800	11600	11675	11875
Indocement	3525	3500	3525	3475
Indofood	5350	5275	5250	5350
Indosat	6950	6750	6775	6950
Sampoerna HM	13100	11700	11900	13300
Semen Gresik	7200	7050	7075	7225
Telekomunikasi	4175	4125	4175	4150

Johannesburg — All Market: 7145.18 Previous: 7196.86

	High	Low	Close	Prev.
Amalgamtd Bks	28.50	27.50	28.50	28.50
AngloAm Coal	306	305	306	308
AngloAm-Corp	282.50	279	282.50	281.50
AngloAm Gold	353	350	353	352
AngloAm Ind	180	174	179	174.50
AVMIN	19.75	19.65	19.65	19.70
Barlow	47.25	46.60	47.25	47.35
C.G. Smith	26.90	26	26	26.90
De Beers	156	154.25	155.50	156.75
Driefontein	51.75	51	51.25	52
Fst Natl Bk	27.75	26.60	27.50	26.60
Gencor	19.55	19	19.40	19.55
GFSA	129	128	128	130.50
Imperial Hdgs	57.25	56.50	56.50	57.50
Ingwe Coal	28.75	28	28	29
Iscor	3.44	3.35	3.40	3.46
Johnnies Indl	58	57.50	57.75	59
Liberty Hdgs	344	344	344	344.50
Liberty Life	130.25	129	129.75	129.75
LibLife Strat	15.55	14.60	15.25	15.25
Minorco	106	105	106	106.50
Nampak	19.25	19.10	19.25	19.60
Nedcor	77.50	76	76	77.75
Rembrandt Gp	46.40	45.20	46	46.25
Richemont	62.25	61.25	62	62.25
Rust Platinum	76.50	75.50	76	77
SA Breweries	136	133.50	134	137.50
Samancor	56	55.50	55.75	56
Sasol	49.50	48	48.50	49.90
SBIC	183	182	182.50	183
Tiger Oats	75.50	75	75.25	75.50

Kuala Lumpur — Composite: 1270.67 Previous: 1259.44

	High	Low	Close	Prev.
AMMB Hdgs	23.40	22.80	23.40	23.10
Genting	17.40	16.90	16.90	17.40
Mal Banking	29.50	29	29.50	29.25
Mal Intl Ship F	6.55	6.30	6.55	6.30
Petronas Gas	9.05	9	9.05	9
Proton	16.40	16.20	16.40	16.30
Public Bk	5.80	5.65	5.80	5.80
Renong	4.58	4.52	4.52	4.60
Resorts World	11.80	11.60	11.60	11.80
Rothmans PM	25.75	25.50	25.75	25.50
Sime Darby	9.50	9.30	9.40	9.35
Telekom Mal	20.20	19.40	20.10	19.30
Tenaga	12	11.50	11.90	11.50
Utd Engineers	23.30	22.70	22.90	23.40
YTL	14.50	14	14.40	14.50

London — FT-SE 100: 4308.30 Previous: 4339.20

	High	Low	Close	Prev.
Abbey Natl	7.96	7.53	7.59	7.67
Allied Domecq	4.42	4.35	4.36	4.37
Anglian Water	6.58	6.48	6.48	6.58
Argos	6.96	6.80	6.86	6.97
Asda Group	1.13	1.11	1.12	1.12
Assoc Br Foods	4.92	4.85	4.89	4.87
BAA	5.34	5.27	5.31	5.29
Barclays	11.53	11.08	11.22	11.24
Bass	8.60	8.53	8.58	8.57
BAT Ind	5.40	5.33	5.38	5.37
Bank Scotland	3.43	3.33	3.42	3.42
Blue Circle	3.99	3.94	3.99	3.98
BOC Group	10.03	9.85	9.94	9.96
Boots	6.86	6.77	6.77	6.85
BPB Ind	3.51	3.42	3.42	3.47
Brit Aerosp	12.80	12.67	12.75	12.71
Brit Airways	6.41	6.28	6.31	6.39
BG	1.76	1.69	1.71	1.75
Brit Land	5.42	5.30	5.35	5.41
Brit Petm	7.35	6.71	6.82	6.86
BSkyB	6.06	5.90	5.99	6.08
Brit Steel	1.52	1.50	1.50	1.52
Brit Telecom	4.33	4.24	4.27	4.29
BTR	2.69	2.36	2.41	2.37
Burmah Castrol	10.40	10.28	10.34	10.39
Burton Gp	1.57	1.53	1.57	1.42
Cable Wireless	5.08	4.95	5.02	5.06
Cadbury Schw	5.10	4.96	5.08	4.99
Carlton Comm	5.33	5.18	5.26	5.30
Comml Union	6.84	6.63	6.82	6.77
Compass Gp	7.38	7.23	7.36	7.33
Courtaulds	3.77	2.63	3.64	3.75
Dixons	5.37	5.30	5.32	5.27
Electrocomponents	4.02	3.98	4.02	3.97
EMI Group	11.70	11.45	11.60	11.72
Energy Group	5.40	5.22	5.22	5.37
Enterprise Oil	6.28	6.18	6.19	6.29
Fam Colonial	1.59	1.57	1.58	1.60
Genl Accident	8.40	8.24	8.36	8.26
GEC	3.76	3.67	3.71	3.75
GKN	9.40	9.30	9.37	9.40
Glaxo Wellcome	10.51	10.31	10.42	10.38
Granada Gp	9.32	9.09	9.24	9.28
Grand Met	4.62	4.51	4.55	4.64
GRE	2.82	2.76	2.78	2.76
Greenalls Gp	5.60	5.55	5.58	5.57
Guinness	4.65	4.55	4.58	4.64
GUS	6.71	6.48	6.62	6.55
Hays	5.60	5.52	5.52	5.58
HSBC Hldgs	15.35	15.10	15.22	15.20
ICI	7.60	7.46	7.55	7.56
Impl Tobacco	4.30	3.83	4.25	4.29
Kingfisher	6.84	6.75	6.77	6.80
Ladbroke	2.34	2.30	2.32	2.34
Land Sec	7.94	7.64	7.90	7.91
Lasmo	2.46	2.40	2.43	2.45
Legal Genl Grp	3.99	3.90	3.91	3.97
Lloyds TSB Gp	5.21	5.07	5.12	5.14
LucasVarity	2.07	2.03	2.05	2.06
Marks Spencer	5.04	4.94	4.98	5
MEPC	4.68	4.62	4.62	4.68
Mercury Asset	13.49	13.40	13.48	13.46
National Grid	2.09	2.06	2.07	2.07
Natl Power	4.95	4.85	4.91	4.92
NatWest	7.65	7.33	7.45	7.59
Next	6.02	5.93	5.95	6.02
Orange	2.13	2.10	2.11	2.12
P&O	6.78	6.62	6.70	6.77
Pearson	7.74	7.60	7.69	7.60
Pilkington	1.47	1.41	1.45	1.44
PowerGen	6.25	6.13	6.18	6.21
Premier Farnell	5.16	4.90	4.93	5.15
Prudential	5.75	5.65	5.70	5.72
Railtrack PP	4.60	4.45	4.52	4.47
Rank Group	4.35	4.15	4.21	4.19
Reckitt Colm	8.09	7.93	7.97	8.10
Redland	3.57	3.45	3.48	3.55
Reed Intl	11.62	11.40	11.48	11.50
Rentokil Initial	4.67	4.51	4.51	4.67
Reuters Hdgs	6.66	6.53	6.58	6.64
Rexam	3.32	3.25	3.25	3.26
RMC Group	9.54	9.42	9.46	9.47
Rolls Royce	2.36	2.30	2.34	2.34
Royal Bk Scot	5.90	5.77	5.81	5.92
RTZ reg	9.50	9.27	9.36	9.49
Royal & Sun All	4.96	4.91	4.92	4.97
Safeway	3.64	3.59	3.62	3.60
Sainsbury	3.14	3.07	3.09	3.12
Schroders	16.95	16.84	16.89	16.90
Scot Newcastle	6.84	6.73	6.77	6.82
Scot Power	3.53	3.47	3.50	3.51
Securicor	3.16	3.11	3.13	3.14
Severn Trent	7.16	7.05	7.16	7.12
Shell Transp R	10.62	10.33	10.43	10.54
Siebe	9.72	9.63	9.68	9.65
Smith Nephew	1.94	1.90	1.93	1.93
SmithKline	9.40	9.14	9.19	9.23
Smiths Ind	7.72	7.67	7.71	7.67
Sthern Elec	7.95	7.80	7.92	7.80
Stagecoach	7.08	7.02	7.08	7.07
Stand Charter	8.44	8.10	8.43	8.13
Tate & Lyle	4.43	4.35	4.36	4.41
Tesco	3.52	3.38	3.38	3.45
Thames Water	6.94	6.85	6.87	6.91
3i Group	5.17	5.08	5.10	5.16
TI Group	5.32	5.25	5.27	5.31
Tomkins	2.88	2.79	2.85	2.86
Unilever	16.30	15.75	15.75	16.23
Utd Assurance	5.37	5.30	5.30	5.32
Utd News	7.19	7.08	7.08	7.20
Utd Utilities	6.75	6.60	6.63	6.74
Vendome Lx uts	5.30	5.24	5.26	5.25
Vodafone	2.97	2.90	2.92	2.92
Whitbread	8.04	7.80	7.86	7.84
Williams Hdgs	3.23	3.17	3.20	3.22
Wolseley	4.80	4.68	4.71	4.80
WPP Group	2.64	2.58	2.60	2.61
Zeneca	18.55	17.85	18.03	18.39

Madrid — Bolsa index: 465.18 Previous: 469.50

	High	Low	Close	Prev.
Acerinox	20200	19670	19920	20230
ACESA	1665	1585	1600	1655
Aguas Barcelon	5600	5410	5500	5600
Argentaria	5830	5710	5740	5820
BBV	8520	8380	8450	8530
Banesto	1095	1080	1085	1095
Bankinter	19520	19100	19150	19500
Bco Centro Hisp	3850	3775	3800	3815
Bco Exterior	2810	2790	2810	2790
Bco Popular	26300	25930	26050	26380
Bco Santander	9720	9610	9700	9710
CEPSA	4175	4115	4115	4200
Continente	2535	2490	2520	2530
Corp Mapfre	7580	7130	7530	7400
Endesa	8920	8710	8750	8730
FECSA	1170	1140	1145	1160
Gas Natural	32340	30870	31000	31890
Iberdrola	1610	1555	1565	1610
Pryca	2725	2640	2645	2725
Repsol	5490	5440	5450	5450
Sevillana Elec	1325	1290	1300	1330
Tabacalera	6490	6300	6490	6360
Telefonica	3335	3290	3300	3310
Union Fenosa	1160	1120	1135	1155
Valenc Cement	1540	1500	1530	1520

Manila — PSE index: 3315.28 Previous: 3333.94

	High	Low	Close	Prev.
Ayala B	30.50	30	30	30
Ayala Land	31.50	31	31.50	31.50
Bk Philip Isl	191	189	190	190
C&P Homes	13.75	13.25	13.50	13.50
Manila Elec A	124	120	124	123
Metro Bank	730	725	730	725
Petron	10.75	10.25	10.50	10.50
PCIBank	382.50	380	382.50	382.50
Phil Long Dist	1560	1530	1545	1560
San Miguel B	98.50	97.50	98	99
SM Prime Hdg	7.90	7.80	7.90	8

Mexico — Bolsa index: 3835.95 Previous: 3851.92

	High	Low	Close	Prev.
Alfa A	45.40	44.80	45.00	45.00
Banacci B	19.04	18.62	18.76	19.14
Cemex CPO	32.45	31.60	31.95	32.35
Cifra C	12.40	12.08	12.24	12.26
Emp Modema	41.70	41.50	41.70	41.80
Gpo Carso A1	46.20	45.00	45.20	45.95
Gpo F Bcomer	2.00	1.97	1.97	1.97
Gpo Fin Inbursa	27.50	27.50	27.50	27.70
Kimb Clark Mex	171.20	170.50	170.50	171.20
Televisa CPO	97.00	95.00	96.00	96.00
TelMex L	15.50	15.30	15.34	15.50

Milan — MIB Telematico: 11745.00 Previous: 11929.00

	High	Low	Close	Prev.
Alleanza Assic	12520	11900	12170	12380
Bca Comm Ital	3535	3420	3420	3500
Bca Fideuram	4400	4200	4260	4400
Bca di Roma	1286	1228	1241	1288
Benetton	19845	19170	19390	19850
Credito Italiano	2375	2300	2310	2345
Edison	9425	9190	9290	9395
ENI	8520	7700	8345	8550
Fiat	5345	5040	5220	5100
Generali Assic	31150	30500	30700	30950
IMI	14970	14520	14760	15050
INA	2255	2205	2210	2225
Italgas	6150	6000	6025	6065
Mediaset	7220	7080	7125	7160
Mediobanca	11250	11000	11035	11240
Montedison	1245	1219	1220	1248
Olivetti	626	611	620	623
Parmalat	2360	2300	2325	2340
Pirelli	3410	3310	3345	3400
RAS	15380	15120	15240	15290
Rolo Banca	18190	17600	17810	18250
S Paolo Torino	12100	11760	11990	12140
Stet	7520	7120	7250	7510
Telecom Italia	4090	3920	3970	4065
TIM	4610	4390	4425	4595

Montreal — Industrials index: 2987.79 Previous: 2982.94

	High	Low	Close	Prev.
Bca Mob Com	43½	43.40	43½	43.45
Cdn Tire A	25.15	24.90	24.90	24.65
Cdn Util A	31.80	31.45	31.45	31.90
CT Finl Svc	32¼	31¾	32¼	32¼
Gaz Metro	17.15	16.95	17	17
Gt-West Lifeco	23¼	23.15	23¼	23½
Imasco	37.95	37.45	37.60	37.95
Investors Grp	25¼	24.30	25¼	25¼
Loblaw Cos	17	16.65	16.65	16.95
Natl Bk Canada	15.85	15.65	15¾	15.80
Power Corp	29	28.80	28.80	29.05
Power Finl	27	26¾	26.90	26.60
Quebecor B	25.15	25	25	25.15
Rogers Comm B	9.30	9.30	9.30	9.55
Royal Bk Cda	55¼	54.80	55.05	55.65

Oslo — OBX Index: 585.07 Previous: 590.37

	High	Low	Close	Prev.
Aker A	177	168	172	176.50
Bergesen Dy A	143	140	140	144
Christiania Bk	25.20	24.30	25.20	24.80
Den norske Bk	30	29.50	30	29.80
Elkem	110	108	108	108
Hafslund A	50	49	49.50	49.50
Kvaerner Asa	337	331	331	337.50
Norsk Hydro	340	335	337.50	337.50
Norske Skog A	207.50	206	207	208
Nycomed A	107	104	105	107.50
Orkla Asa A	542	535	540	552
Petlm GeoSvc	284	281	281	291
Saga Petlm A	115.50	113	113.50	114.50
Schibsted	134	131.50	132	132.50
Transocean Off	373.50	373.50	373.50	371
Storebrand Asa	45.20	43.50	45.10	44.20

Paris — CAC-40: 2607.55 Previous: 2629.48

	High	Low	Close	Prev.
Accor	795	777	784	793
AGF	211.50	199.20	200.50	208.90
Air Liquide	900	890	896	898
Alcatel Alsth	591	582	585	591
Axa-UAP	379.90	376.80	379.30	378.60
Bancaire	718	688	691	719
BIC	929	910	924	920
BNP	258.80	257	258.50	259
Canal Plus	1080	1061	1068	1081
Carrefour	3558	3493	3511	3547
Casino	262	253	260	252
CCF	270	265.10	267	266.50
Cetelem	715	698	706	715
Christian Dior	844	827	828	861
CLF-Dexia Fran	569	557	569	561
Credit Agricole	1266	1266	1266	1266
Danone	885	863	864	885
Elf-Aquitaine	561	545	545	556
Eridania BS	928	917	921	921
Eurodisney	10.45	10.25	10.45	10.20
Eurotunnel	7.15	6.95	7.05	7.05
Gen. Eaux	802	788	793	799
Havas	452	447.20	450	450
Imetal	824	814	820	825
Lafarge	362.80	355.60	357	361.90
Legrand	1020	998	1000	1013
L'Oreal	1973	1931	1931	1978
LVMH	1375	1327	1333	1402
Lyon. Eaux	588	575	582	585
Michelin B	360	352	356.80	351
Paribas A	400.50	386.10	387	397.40
Pernod Ricard	315	310	311	314.20
Peugeot Cit	645	610	630	587
Pinault-Print	2470	2411	2411	2470
Promodes	1700	1685	1685	1686
Renault	150	138.50	146.90	130
Rexel	1769	1745	1769	1748
Rh-Poulenc A	201	197.20	200	201
Sanofi	564	547	564	535
Schneider	309	300.10	300.10	309.50
SEB	1081	1066	1070	1090
SGS Thomson	380	369.20	374.50	387.30
Ste Generale	679	654	660	675
Sodexho	3170	3060	3170	3060
St Gobain	845	833	840	837
Suez	279	274.50	278.40	275.50
Synthelabo	630	606	618	615
Thomson CSF	183.20	180.50	180.50	180.50
Total B	464.40	452.50	455.10	460.90
Usinor	89	87	88	87.50
Valeo	386.20	377.50	384	381.30

São Paulo — Bovespa index: 87439.40 Previous: 87767.90

	High	Low	Close	Prev.
Bradesco Pfd	8.80	8.60	8.70	8.80
Brahma Pfd	710.00	704.990	705.00	710.00
Cemig Pfd	44.50	42.00	42.00	43.40
CESP Pfd	58.80	58.010	58.30	58.00
Copel	15.65	14.90	14.90	15.70
Eletrobras	458.00	449.00	455.00	452.00
Itaubanco Pfd	555.00	540.00	540.00	556.00
Light Servicios	430.00	426.00	430.00	429.99
Lightpar	319.99	309.99	310.00	315.00
Petrobras Pfd	211.00	207.01	207.50	212.00
Paulista Luz	146.50	145.10	145.10	148.00
Sid Nacional	38.60	37.30	38.490	37.10
Souza Cruz	8.55	8.55	8.55	8.50
Telebras Pfd	102.30	100.40	102.10	101.60
Telemig	156.00	150.50	156.00	151.01
Telerj	154.00	152.00	153.00	155.00
Telesp Pfd	291.00	285.00	290.02	294.00
Unibanco	42.00	41.49	41.49	42.00
Usiminas Pfd	1.22	1.20	1.22	1.23
CVRD Pfd	27.70	27.40	27.60	28.00

Seoul — Composite index: 674.53 Previous: 669.41

	High	Low	Close	Prev.
Dacom	110000	105000	109500	107000
Daewoo Heavy	4500	4260	4400	4300
Hyundai Eng.	19200	18700	18900	19000
Kia Motors	15400	15100	15400	15000
Korea El Pwr	25400	24400	24800	25500
Korea Exch Bk	5900	5330	5790	5510
Korea Mob Tel	510000	480000	495000	492000
LG Semicon	27200	26300	26400	26300
Pohang Iron St	43900	42600	43000	43400
Samsung Display	45000	43000	44300	43300
Samsung Elec	59000	56300	58000	57300
Shinhan Bank	10700	10500	10500	10500

Singapore — Straits Times: 2195.70 Previous: 2190.63

	High	Low	Close	Prev.
Asia Pac Brew	N.T.	N.T.	N.T.	8.20
Cerebos Pac	10.20	10.10	10.10	10.10
City Devlts	14.40	14.10	14.10	14.30
Cycle Carriage	15.50	14.90	15	15.50
Dairy Farm Int*	0.78	0.76	0.78	0.78
DBS foreign	18.90	18.70	18.90	18.70
DBS Land	5.65	5.50	5.55	5.55
Far East Leving	5.90	5.80	5.85	5.90
Fraser & Neave	12.80	12.70	12.70	12.60
HK Land*	2.90	2.84	2.85	2.91
Jard Matheson*	6.05	6	6.05	6.05
Jard Strategic*	3.28	3.26	3.28	3.28
Keppel	10.40	10.20	10.30	10.20
Keppel Bank	4.30	4.24	4.30	4.26
OCBC foreign	19.20	18.70	18.90	18.70
OS Union Bk F	11.20	11.10	11.10	11.10
Parkway Hdgs	6	5.90	6	6
Sembawang	7.80	7.75	7.80	7.75
Sing Air foreign	12.60	12.50	12.60	12.50
Sing Land	8.30	8.05	8.05	8.25
Sing Press F	27.90	27.40	27.80	27.30
Sing Tech Ind	3.86	3.80	3.82	3.82
Sing Telecomm	3.34	3.30	3.30	3.34
Straits Steam	4.86	4.80	4.86	4.86
Tat Lee Bank	3.56	3.50	3.50	3.56
Utd Industrial	1.25	1.22	1.24	1.23
Utd O'Sea Bk F	16.30	15.90	16.20	16.30
Wing Tai Hdgs	4.70	4.66	4.68	4.70

*: In U.S. dollars.

Stockholm — SX 16 index: 2804.08 Previous: 2828.71

	High	Low	Close	Prev.
AGA B	108.50	107	108	107.50
ABB A	853	835	845	860
AssiDoman	196	194	194.50	196
Astra A	364	359.50	360	364.50
Atlas Copco A	174	172.50	173.50	173
Autoliv	342.50	337	341	339
Electrolux B	470	462	469	466.50
Ericsson B	242	238.50	238.50	241.50
Hennes B	1085	1050	1066	1055
Incentive A	527	522	522	524
Investor B	337	332	332	337.50
MoDo B	240.50	234	238	238
Nordbanken	275	269	272	271
Pharm/Upjohn	280	277	277.50	279.50
Sandvik B	185.50	183.50	183.50	185.50
Scania B	185.50	183.50	184	185.50
SCA B	168	166.50	166.50	168
S-E Banken A	80	79	79	80
Skandia Fors	234	225	228	230.50
Skanska B	335	330	331	336
SKF B	182	178	179	180.50
Sparbanken A	148.50	146	148	149.50
Stadshypotek A	190	190	190	190
Stora A	103.50	102	102.50	103.50
Sv Handles A	212.50	209	210	212
Volvo B	189	186.50	188	187.50

Sydney — All Ordinaries: 2449.90 Previous: 2464.70

	High	Low	Close	Prev.
Amcor	8.52	8.40	8.48	8.48
ANZ Bkng	8.09	7.95	8.04	8.09
BHP	17.30	16.91	17.05	17.30
Boral	3.56	3.47	3.50	3.52
Brambles Ind.	21.94	21.42	21.70	21.70
CBA	13.02	12.74	12.82	13.02
CC Amatil	12.08	11.65	11.80	12.08
Coles Myer	5.77	5.60	5.67	5.75
Comalco	6.87	6.83	6.84	6.90
CRA	19.25	19.22	19.29	19.23
CSR	4.61	4.51	4.55	4.58
Fosters Brew	2.73	2.65	2.69	2.73
Goodman Fld	1.56	1.52	1.56	1.55
ICI Australia	12.30	12	12.20	12.30
Lend Lease	23.75	23.51	23.56	23.55
MIM Hdgs	1.82	1.78	1.79	1.79
Nat Aust Bank	16.36	16.15	16.22	16.31
Nat Mutual Hdg	1.94	1.88	1.91	1.95
News Corp	6.96	6.82	6.86	6.98
Pacific Dunlop	3.12	3.07	3.10	3.08
Pioneer Intl	3.94	3.82	3.83	3.88
Pub Broadcast	6.45	6.34	6.45	6.50
St George Bank	7.80	7.59	7.70	7.77
WMC	8.21	8.03	8.12	8.15
Westpac Bking	7.37	7.25	7.30	7.36
Woodside Pet	8.90	8.64	8.71	8.88
Woolworths	3.62	3.55	3.59	3.57

Taipei — Stock Market index: 7875.32 Previous: 7832.87

	High	Low	Close	Prev.
Cathay Life Ins	188	177	179	177
Chang Hwa Bk	179	172	178	172
Chiao Tung Bk	92	89	90.50	89
China Developmt	109.50	106	107.50	107.50
China Steel	26.20	25.80	26.10	25.40
First Bank	184	177	182	177
Formosa Plastic	75	73	74	73
Hua Nan Bk	147	142.50	146	142.50
Intl Comm Bk	85.50	84	85	84
Nan Ya Plastics	67	66	66	66
Shin Kong Life	113.50	110	111	110.50
Taiwan Semi	64	62	62.50	62
Tatung	54	53.50	54	53.50
Utd Micro Elec	45.90	43.80	44.70	44.10
Utd World Chin	71	69	70	69

Tokyo — Nikkei 225: 18557.88 Previous: 19021.56

	High	Low	Close	Prev.
Ajinomoto	1140	1090	1090	1120
All Nippon Air	883	867	873	861
Amway	3400	3180	3350	3200
Asahi Bank	892	877	884	900
Asahi Chem	662	652	653	663
Asahi Glass	1080	1060	1070	1080
Bk Tokyo Mitsu	2030	1970	1980	2070
Bk Yokohama	578	572	578	579
Bridgestone	2210	2160	2160	2200
Canon	2560	2510	2520	2550
Chubu Elec	2150	2130	2130	2130
Chugoku Elec	2110	2080	2090	2070
Dai Nipp Print	2040	2010	2010	2040
Daiei	805	795	798	805
Dai-Ichi Kang	1380	1300	1320	1400
Daiwa Bank	503	485	485	500
Daiwa House	1370	1340	1340	1380
Daiwa Sec	973	933	948	983
DDI	7850a	6950a	7270a	7650a
Denso	2380	2320	2320	2410
East Japan Ry	5210a	5080a	5140a	5180a
Eisai	2270	2250	2260	2270
Fanuc	3840	3730	3750	3930
Fuji Bank	1480	1400	1410	1500
Fuji Photo	4120	4010	4040	4080
Fujitsu	1220	1190	1190	1210
Hachijuni Bk	1080	1050	1060	1050
Hitachi	1070	1030	1040	1070
Honda Motor	3860	3710	3730	3750
IBJ	1470	1430	1440	1500
IHI	447	427	432	449
Itochu	607	593	594	608
Ito-Yokado	5590	5470	5480	5440
JAL	510	500	501	508
Japan Tobacco	8150a	8070a	8100a	8080a
Jusco	3420	3260	3420	3320
Kajima	670	658	660	667
Kansai Elec	2220	2170	2190	2200
Kao	1350	1320	1320	1350
Kawasaki Hvy	509	492	500	513
Kawa Steel	325	315	323	327
Kinki Nipp Ry	738	723	725	728
Kirin Brewery	1050	1030	1030	1040
Kobe Steel	226	222	222	223
Komatsu	904	897	900	902
Kubota	557	549	549	549
Kyocera	7160	7130	7150	7120
Kyushu Elec	2120	2090	2090	2110
LTCB	444	432	435	438
Marubeni	485	468	472	486
Marui	1840	1730	1730	1880
Matsu Comm	3210	3120	3170	3170
Matsu Elec Ind	1880	1840	1860	1870
Matsu Elec Wk	1060	1020	1060	1020
Mitsubishi	1150	1120	1120	1160
Mitsubishi Ch	346	334	335	346
Mitsubishi El	696	677	678	700
Mitsubishi Est	1450	1420	1420	1430
Mitsubishi Hvy	873	866	869	872
Mitsubishi Mat	896	883	885	898
Mitsubishi Tr	1370	1310	1330	1390
Mitsui	899	893	894	903
Mitsui Fudosn	1330	1300	1310	1330
Mitsui Trust	775	729	746	778
Murata Mfg	4170	4170	4170	4220
NEC	1410	1380	1400	1410
Nikon	1800	1770	1770	1800
Nikko Sec	728	699	700	730
Nintendo	8500	8300	8500	8500
Nippo Express	793	776	777	782
Nippon Oil	521	505	509	526
Nippon Steel	323	318	321	326
Nissan Motor	730	712	712	730
NKK	260	253	259	262
Nomura Sec	1650	1590	1610	1660
NTT	8980a	8490a	8590a	8930a
NTT Data	3130b	3090000	3100b	3130b
Oji Paper	693	672	672	699
Osaka Gas	297	293	297	297
Ricoh	1440	1410	1420	1460
Rohm	8730	8660	8730	8610
Sakura Bk	780	765	771	788
Sankyo	3390	3330	3360	3410
Sanwa Bank	1440	1360	1390	1460
Sanyo Elec	503	488	503	495
Secom	6800	6660	6800	6670
Seibu Rwy	5250	5150	5160	5040
Sekisui Chem	1250	1230	1250	1260
Sekisui House	1120	1100	1120	1130
Seven-Eleven	7270	7150	7260	7200
Sharp	1540	1510	1510	1520
Shikoku El Pwr	2110	2070	2090	2070
Shimizu	742	728	728	738
Shin-etsu Ch	2350	2330	2330	2350
Shiseido	1430	1410	1410	1430
Shizuoka Bk	1030	1020	1030	1040
Softbank	11300	10800	10900	11200
Sony	8850	8690	8710	8860
Sumitomo	922	902	907	923
Sumitomo Bk	1560	1510	1520	1580
Sumit Chem	472	460	460	480
Sumitomo Elec	1690	1660	1670	1690
Sumit Metal	290	286	288	287
Sumit Trust	1060	985	985	1040
Taisho Pharm	2780	2720	2780	2770
Takeda Chem	2450	2410	2420	2450
TDK	8200	8070	8080	8110
Tohoku El Pwr	2100	2070	2070	2080
Tokai Bank	992	960	976	1010
Tokio Marine	1160	1140	1150	1130
Tokyo El Pwr	2250	2210	2240	2270
Tokyo Electron	4280	4220	4220	4240
Tokyo Gas	310	306	307	309
Tokyu Corp.	575	565	565	578
Tonen	1260	1220	1220	1260
Toppan Print	1440	1370	1390	1440
Toray Ind	705	694	698	698
Toshiba	698	680	680	697
Tostem	2810	2780	2800	2790
Toyo Trust	870	853	862	865
Toyota Motor	3170	3060	3090	3180
Yamanouchi	2550	2520	2520	2550

a: x 100; b: x 1,000

Toronto — TSE Industrials: 6145.62 Previous: 6187.46

	High	Low	Close	Prev.
Abitibi Price	22.55	22.20	22½	22.40
Alberta Energy	29	28.10	28.70	28.95
Alcan Alum	49	48.40	48.85	48.90
Anderson Expl	16.55	16.10	16.20	16.40
Bk Montreal	48.80	48.30	48.70	48.80
Bk Nova Scotia	52	51.40	51.55	52
Barrick Gold	38.80	37.45	38.45	38.35
BCE	66.90	66.20	66.40	66.90
BC Telecomm	30.35	30	30¼	30.60
Biochem Pharm	74	74	74	82½
Bombardier B	26.35	26.05	26.10	26.15
Brascan A	32.85	32.70	32.80	32.80
Bre-X Minerals	19.90	19.30	19.85	19.85
Cameco	51.20	50¼	50.90	51
CIBC	66.80	65¼	65.85	66.80
Cdn Natl Rail	49.80	49.10	49½	49.60
Cdn Nat Res	33	32.20	32½	33.30
Cdn Occid Pet	23¼	22.95	22.95	23.40
Cdn Pacific	34.35	33½	33.70	34.40
Cominco	38.60	38	38.60	38.20
Dofasco	25	24.80	24.80	24.95
Domtar	12.40	12.35	12.35	12.35
Donohue A	26.40	26.05	26.30	26.40
Du Pont Cda A	33.85	33.30	33.60	33
Edper Group	23.35	23	23.10	23.45
EuroNev Mng	44.90	44	44.90	44.60
Fairfax Finl	292.15	291½	292	292.15
Falconbridge	31.95	31¾	31.90	32
Fletcher Chall A	22.85	22.45	22.45	22.80
Franco Nevada	65.20	63	63¾	65¼
Gulf Cda Res	9.80	9.55	9¾	9.85
Imperial Oil	60.95	60.30	60.30	60.80
Inco	48.45	47.70	47.90	48.45
IPL Energy	40.10	39¾	39.90	40¼
Laidlaw B	18.90	18.60	18.90	18¾
Loewen Group	44	43.15	43.85	44.10
Macmill Bldl	19	18.80	18.95	18.80
Magna Intl A	72.30	71.95	72.05	72.20
Methanex	13.40	13¼	13.30	13.40
Moore	30.20	29.80	30.05	30.10
Newbridge Net	43.40	41½	43.15	43.20
Noranda Inc	33.20	32.80	32.85	32.90
Norcen Energy	29½	29¼	29¼	29.45
Nthern Telecom	98¼	97	98¼	97.80
Nova	12.65	12½	12.55	12.65
Onex	24.65	24½	24.65	24½
Pancdn Petlm	57	55.60	56	57
Petro Cda	20	19.80	19.80	20
Placer Dome	29.60	28.30	29½	29.65
Poco Petlm	13.40	12.90	13	13.45
Potash Sask	108	104	105.80	108.35
Renaissance	40.70	39.20	39.20	42.15
Rio Algom	34½	34.10	34.45	34¼
Rogers Cantel B	25	24½	24.70	25
Seagram Co	54.20	53.60	53.80	54.30
Shell Cda A	56.95	56	56	56.95
Stone Consold	22.35	22.15	22.35	22.20
Suncor	61.40	60.05	61¼	61.65
Talisman Eny	44½	44.20	44.20	44¾
Teck B	33.45	33¼	33¼	33.35
Teleglobe	39.60	39.20	39¼	39½
Telus	20.80	20.65	20¾	20.80
Thomson	27.85	27.05	27¼	27.35
TorDom Bank	38¾	38¼	38.45	38.80
Transalta	16.70	16.35	16.40	16.60
TransCda Pipe	25.40	25.20	25.30	25.55
Trimark Finl	42¼	40.95	42¼	41.35
Trizec Hahn	32.05	31¾	32	31.90
TVX Gold	12.20	11.65	12.15	11.95
Westcoast Eny	24.90	24.65	24.80	24.95
Weston	75	74	74¼	75

Vienna — ATX index: 1222.97 Previous: 1235.79

	High	Low	Close	Prev.
Boehler-Uddeh	823	810	820.50	824.95
Creditanst Pfd	464	452.50	454.80	464
EA-Generali	3370	3300	3324	3370
EVN	1763	1742	1749	1761
Flughafen Wien	600	593	595	602
OMV	1420	1380	1400	1424
Oest Elektriz	864	853	863	860
VA Stahl	474.50	462	471.85	476.50
VA Tech	1814	1792.10	1792.10	1814
Wienerberg Bau	2176	2145	2150	2170

Wellington — NZSE-40 index: 2279.33 Previous: 2274.19

	High	Low	Close	Prev.
Air N Zeald B	3.80	3.75	3.77	3.75
Brierly Invt	1.40	1.39	1.39	1.38
Carter Holt ord	3.29	3.26	3.27	3.26
Fletch Ch Bldg	4.35	4.30	4.34	4.31
Fletch Ch Eny	3.76	3.70	3.71	3.76
Fletch Ch Forst	2.08	2.05	2.06	2.08
Fletch Ch Paper	2.90	2.85	2.85	2.90
Lion Nathan	3.57	3.55	3.56	3.54
Telecom NZ	6.53	6.45	6.49	6.45
Wilson Horton	11.01	11.00	11.00	11.00

Zurich — SPI index: 2851.56 Previous: 2870.13

	High	Low	Close	Prev.
ABB B	1690	1670	1676	1714
Adecco B	487	460	478	465
Alusuisse R	1196	1159	1185	1199
Ares-Serono B	1520	1490	1520	1510
Alai R	860	853	860	862
Baer Hdg B	1617	1611	1614	1616
Baloise Hdg R	2920	2890	2900	2940
BK Vision	845	836	836	842
Clariant R	714	700	705	720
Crd Suisse Gp R	157.50	155.50	157.25	156.75
Elektrowatt B	531	528	531	528
Ems-Chemie	5825	5700	5795	5740
ESEC Hdg	4830	4780	4815	4830
Holderbank B	1110	1085	1098	1114
Liechtenst LB B	460	458	458	460
Nestle R	1623	1600	1606	1625
Novartis R	1698	1678	1686	1700
Oerlikon Buehl R	142.50	140.50	142	143
Pargesa Hld B	1516	1500	1500	1500
PharmVisn B	749	727	735	749
Richemont A	2070	2030	2070	2120
Pirelli PC	200	198	198	200
Roche Hdg PC	12555	12350	12415	12600
SBC R	280	277	280	279.50
Schindler PC	1650	1625	1650	1655
SGS B	3350	3280	3350	3315
SMH B	850	838	840	843
Sulzer R	935	918	920	928
Swiss Reins R	1513	1498	1509	1515
Swissair R	1284	1255	1257	1292
UBS B	1329	1303	1326	1308
Winterthur R	901	892	897	908
Zurich Assur R	440	435.50	439	439

The Trib Index

Prices as of 3:00 P.M. New York time.

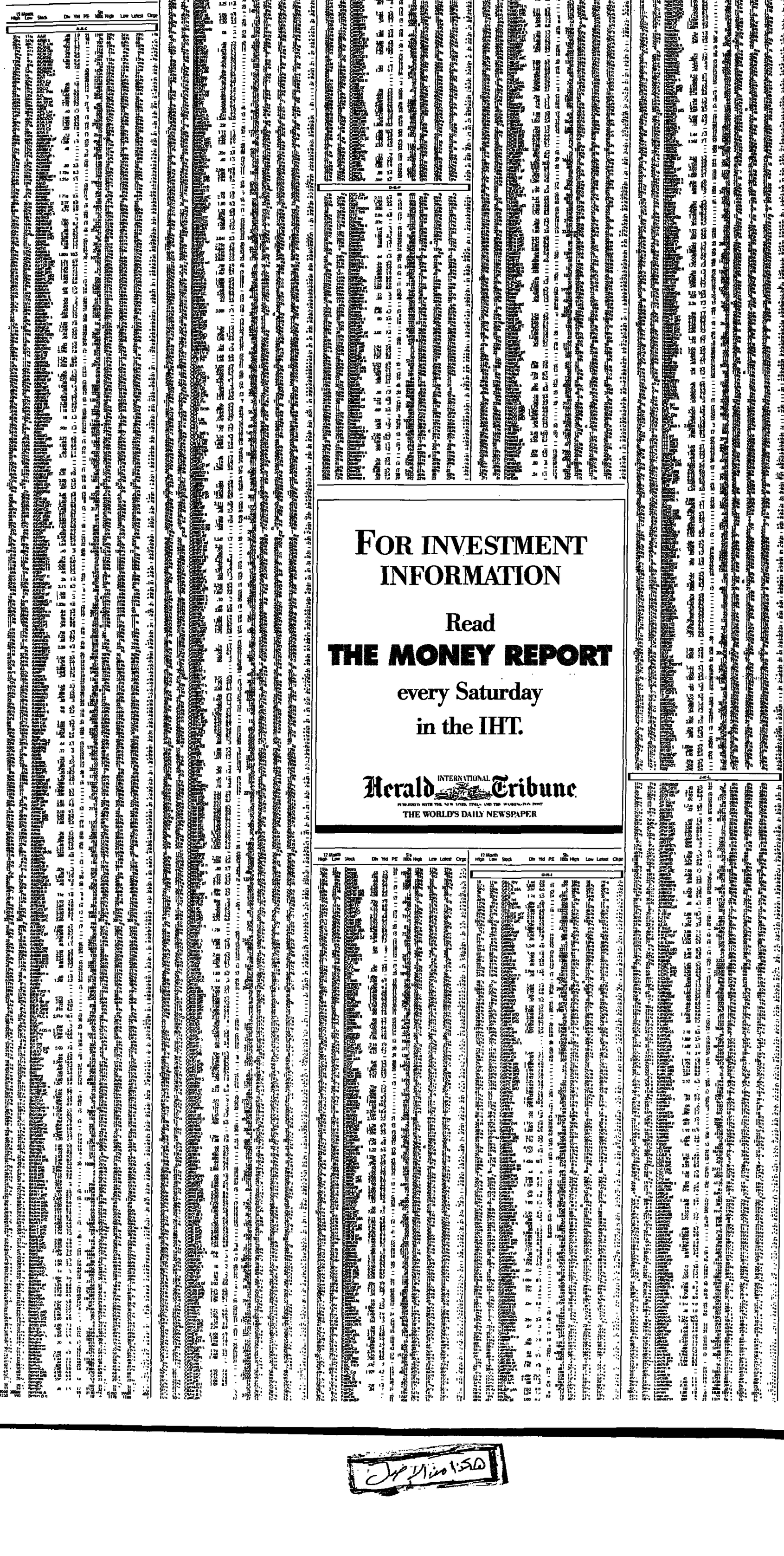
Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	151.46	-1.63	-1.06	+14.86
Regional Indexes				
Asia/Pacific	113.36	-2.05	-1.78	-15.57
Europe	158.37	-1.47	-0.92	+13.79
N. America	176.33	-1.88	-0.94	+37.46
S. America	137.53	-0.36	-0.26	+54.46
Industrial Indexes				
Capital goods	174.15	-2.11	-1.20	+31.06
Consumer goods	171.63	-1.76	-1.02	+24.31
Energy	173.25	-1.32	-0.76	+27.75
Finance	113.90	-1.85	-1.60	-10.48
Miscellaneous	158.68	-1.43	-0.89	+16.84
Raw Materials	183.70	-0.47	-0.26	+29.55
Service	141.46	-1.25	-0.88	+17.88
Utilities	133.03	-0.97	-0.72	+4.63

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. *Compiled by Bloomberg News.*

NYSE

Friday's 4 P.M. Close

Nationwide prices not reflecting late trades elsewhere.
The Associated Press.



FOR INVESTMENT INFORMATION

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International Herald Tribune

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THE WORLD'S DAILY NEWSPAPER

Continued on Page 14

Ford Aide To Manage Mazda Unit

Beattie to Revamp American Operation

Compiled by Our Staff From Dispatches

TOKYO — Mazda Motor Corp. signaled a reorganization Friday of its unprofitable North American operations, appointing an executive of Ford Motor Co. to lead its subsidiaries there.

Ford's already strong grip on the Japanese car maker will be strengthened further after Richard Beattie takes over Mazda's U.S. and Canadian operations as a specially appointed assistant to the company's president.

The fifth-ranked Japanese automaker also said that it was considering consolidating its five North American units, a move that the company said would help reduce costs. It added that no job cuts are planned for now.

But Mazda said it could not rule out dismissing employees in the United States as it reorganizes its unprofitable North American operations.

Mazda has 1,600 employees in North America. Worldwide, it has trimmed its work force to about 25,500 from 30,000 in 1993, mostly through early retirements.

Mazda's long-standing ties to Ford intensified last year when Henry Wallace, a Ford official who moved to Mazda, took over as president of the troubled Japanese carmaker with the task of steering it back to prosperity.

Ford increased its stake in Mazda last April to a third of its shares from 24.54 percent, gaining management control.

A few months later, Mr. Wallace was appointed president, becoming the first foreigner to head a major Japanese company.

Mr. Wallace said Friday that the new North American chief's initial responsibility would be to create a strategic plan for integrating Mazda's five units in the area.

"Our goal is to increase market share in North America while achieving a higher level of operational efficiency," he said.

Mr. Beattie, a 42-year-old Briton, is currently executive director of Ford's Americas and Worldwide Export operations. The new appointment will take effect on March 1. *(Reuters, Bloomberg)*

■ Isuzu Develops Engine

Isuzu Motors Ltd. said that it had developed a diesel engine that is 35 percent more fuel-efficient than conventional engines, Bloomberg News reported from Tokyo.

In Tokyo, shares of Isuzu surged 40 yen (33 cents) Friday to 545 yen apiece after the announcement.

A company spokesman said Isuzu may sell the new engines to General Motors Corp., the owner of a 37.5 percent stake in Isuzu.

'Group of Six' Plays Down Its Debut

Reuters

TOKYO — Officials of the six Asian-Pacific economies taking part in a new forum that has been dubbed the "group of six" are playing down expectations of any immediate action.

Senior central bank and finance ministry officials from Australia, China, Hong Kong, Japan, Singapore and the United States meet Tuesday in Tokyo to discuss economic policy and financial market matters.

Analysts accepted that bold initiatives were unlikely right away.

"This is going to be the first meeting of this kind," said C.H. Kwan of Nomura Research Institute, "so I really wonder whether any concrete results would come out, although there are topics of common concern."

Finance Minister Hiroshi Mitsuzuka of Japan has said he hopes the forum will meet on a regular basis and later be expanded to include finance ministers and central bank chiefs themselves.

But others have been reluctant to set such goals.

"This is a meeting, not a group," Lawrence Summers, the U.S. deputy treasury secretary, said.

A former deputy finance minister of Japan, Makoto Utsumi, dismissed the "group of six" parallel to the Group of Seven leading industrialized nations — which regularly brings together heads of government as well as finance officials of Britain, Canada, France, Germany, Italy, Japan and the United States.

> **'I don't think it will function like the G-7 to discuss specific issues.'**

"I don't think it will like the G-7 to discuss specific issues and so on," he said, "but as a kind of forum for more dense discussion."

But participants in the meeting Tuesday are expected to discuss improving cooperation in financial markets, macroeconomic policies and financial industry supervision and possible responses to the collapse of any key Asian currency.

Finance and monetary authorities from the region already gather regularly under a variety of umbrellas. Finance ministers from the 18-member Asia-Pacific Economic Cooperation forum meet annually, as do heads of governments.

Last year, the meeting of the 11-member Executive Meeting of East Asia and Pacific Central Banks, set up at the Bank of Japan's initiative to further regional central bank ties, was upgraded to the central bank chief level. The governors of 10 Southeast Asian central banks also meet every year.

Japanese officials stressed the importance of having both China, a growing economic powerhouse, and the United States, whose currency dominates the region, in the new and smaller forum, and analysts said Hong Kong was keen to be involved ahead of its return to Chinese sovereignty this year.

"The major currency in the Asian region is the U.S. dollar, so it's meaningful for the United States to participate," a senior official of Japan's Finance Ministry said. "China has the second-largest foreign reserves after Japan, and it is still increasing its reserves. Chinese participation is essential."

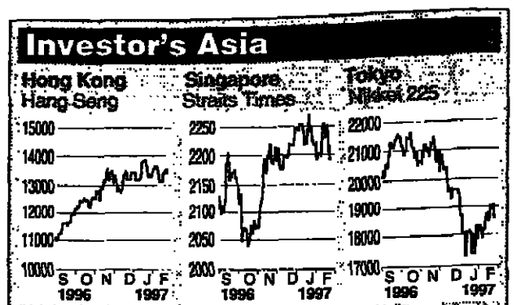
Regional foreign exchange stability is another likely topic of discussion next week. But analysts said the talks were unlikely to be directly linked to any expansion of existing regional pacts aimed at stabilizing local currencies.

The Japanese Finance Ministry and the Bank of Japan entered into dollar-based repurchase pacts in April with seven other Asia-Pacific central banks to provide liquidity in times of currency crisis.

Washington has shown no interest in becoming involved in the repurchase arrangements.

Angus Armstrong, chief Asia-Pacific economist at Deutsche Morgan Grenfell, said the meeting was likely to result in establishment of a dialogue "where they consider what the regional objectives are and what methods could be used if there's a requirement to stabilize some of the regional markets."

Investor's Asia



Exchange	Index	Friday Close	Prev. Close	% Change
Hong Kong	Hang Seng	13,358.72	13,548.60	-1.40
Singapore	Straits Times	2,195.70	2,190.63	+0.23
Sydney	All Ordinaries	2,449.90	2,464.70	-0.60
Tokyo	Nikkei 225	18,557.80	19,021.56	-2.44
Kuala Lumpur	Composite	1,270.67	1,259.44	+0.89
Bangkok	SET	722.56	726.01	-0.21
Seoul	Composite Index	676.53	669.41	+1.06
Taipei	Stock Market Index	7,875.92	7,892.07	-0.55
Manila	PSE	3,315.28	3,333.04	-0.56
Jakarta	Composite Index	765.37	769.92	-0.64
Wellington	NZSE-40	2,279.33	2,274.19	+0.23
Bombay	Sensitive Index	3,652.99	3,427.87	+6.57

Source: Telekurs International Herald Tribune

Very briefly:

- **South Korean** companies such as **Hyundai Motor Co.** and **Daewoo Motors Corp.** braced for further strikes after talks between the ruling and opposition parties failed to rewrite a controversial labor law.
- **Japan's** seasonally adjusted unemployment rate stood at 3.3 percent for the third consecutive month in January.
- **Mitsubishi Oil Co.'s** chairman, Kikuo Yamada, will resign following the company's admission it was linked to an Osaka oil dealer indicted for fraud and tax evasion.
- **Toshiba Corp.** cut its forecast for net profit by 25 percent for the year ending in March, to 60 billion yen ($492.6 million), citing declines in semiconductor prices.
- **Japan's** benchmark Nikkei 225 stock index fell 464.56 points, or 2.4 percent, to 18,557.02.4, as exporters' shares declined amid concerns that a weak dollar will crimp profit growth.
- **Hong Kong's** retail sales rose 8 percent from a year earlier to 22 billion Hong Kong dollars ($2.84 billion) in December.
- **Samsung Electronics Co.** will increase its revenues this year by 30 percent, to 20.7 trillion won ($23.9 billion), by strengthening its multimedia, cellular-communications and micro-chip units.
- **Hong Kong** property developers are preparing for extended apartment sales next month but analysts expect that lofty prices and interest-rate concerns should help rein in speculation while demand is high.
- **Alcoa of Australia Ltd.,** the world's biggest aluminum producer, will cut its market capitalization by 300 million Australian dollars ($232.5 million). *Bloomberg, AFP, Reuters, AP*

Banks Shy Away From China Critic

Bloomberg News

HONG KONG — A dozen times in the past three years, Next Media Group, Hong Kong's most popular newspaper publisher, has approached investment banks here, in Japan and Europe to help the company that publishes Next Magazine and Apple Daily sell its shares.

Each time, bankers turned down the company controlled by Jimmy Lai, whose criticism of China's leaders has resulted in the blocking of the mainland expansion of Giordano International (Holdings) Ltd., the clothing empire he founded.

With four months to go until China resumes sovereignty of Hong Kong, few investors are willing to gamble on a company whose newspapers routinely castigate the Chinese leadership.

"I'm shocked to realize that there is an unwritten rule in Hong Kong among the investment community that Next can never list," the company's chairman, Yeung Wai Hong, said Friday. "It's off-limits or somehow untouchable."

Some bankers told Next that they were reluctant to underwrite the sale for political reasons and that they would have to consult Xinhua, the state-run Chinese news agency and de facto embassy in Hong Kong, Mr. Yeung said.

The latest target of Next's wrath is Sun Hung Kai International Ltd., a brokerage here. Two weeks ago, the firm denied a newspaper report that it had pulled the plug on the proposed Next listing. On Thursday, the firm's managing director, Peter Fung, did just that. Mr. Fung did not respond to requests Friday for an interview.

But the reluctance of bankers to underwrite the share sale may reflect the relatively low price at which the stock could be sold.

Mr. Lai's problems began after he criticized Chinese officials in 1994, when he published an open letter in Next that heaped insults on Prime Minister Li Peng for crushing democracy protests near Tiananmen Square in 1989.

Ports Reform Is Tough, Japan Says

Reuters

TOKYO — Transport Minister Makoto Koga said Friday that it would be tough for Japan to meet U.S. demands for reform of its controversial port practices but acknowledged that improvements were needed.

The U.S. Federal Maritime Commission said Wednesday that it would impose $100,000 in surcharges on Japanese vessels calling at U.S. ports in retaliation for what it called "unfavorable restrictive practices." The surcharges would take effect April 14.

The commission maintains that the Japan Harbor Transportation Association, which mediates between labor unions and shipping companies, has put in place costly and restrictive practices that discriminate against foreign vessels.

The commission said the authority exercises its control through a "prior consultation" system of negotiations and pre-approvals involving carriers and waterfront unions.

Mr. Koga, whose ministry on Thursday urged Washington to withdraw the threat of surcharges, said it was difficult for Tokyo to intervene in matters involving unions.

But he added, "I think we should make the system more transparent, as U.S. and Japanese shipping firms are calling for more transparency."

Japanese shipping companies, which will suffer significantly if the surcharges go into effect, argue that they are victims of the port practices rather than beneficiaries.

U.S. and Japanese negotiators could meet as early as next week for talks to try to avert the surcharges and settle the dispute, but a Japanese official said it could take until the end of March for Tokyo to come up with a new proposal.

Triton Energy Agrees to Settle Bribery Charge

By Leslie Eaton
New York Times Service

NEW YORK — Triton Energy Corp., an international oil and gas development company based in Dallas, has agreed to pay $300,000 to settle federal charges stemming from bribes that a subsidiary paid to Indonesian government officials in 1989 and 1990.

The unusual complaint was brought by the Securities and Exchange Commission, which contends that Triton executives not only made payments violating the Foreign Corrupt Practices Act, but falsified records to make the bribes appear to be business payments.

Six former company executives, including the former president, were named in the civil suit filed in U.S. District Court in Washington or in a related administrative proceeding.

All but one settled with the SEC and, like Triton, neither admitted nor denied the commission's charges. Richard McAdoo, a former vice president of Triton Indonesia, who was named in the civil suit, intends "to assert his innocence of any wrongdoing and to contest the charges," his lawyer, Henry Putzel, said.

It has been more than 10 years since the commission brought this kind of case against a U.S. company, but William McLucas, director for enforcement, said the agency had "a number of investigations under way" relating to improper foreign payments.

Triton will not face criminal charges in the bribery matter; the Justice Department investigated the payments but decided not to bring charges, the company said last year.

Since the Indonesian events, Triton has brought in an entirely new management and has restructured its operations.

According to the SEC's complaint, Triton executives in Indonesia paid an agent named Roland Siouffi a total of $300,000 with the understanding that the money would go to government officials.

Profit Report Saps NTT Stock

Compiled by Our Staff From Dispatches

TOKYO — Shares in Nippon Telegraph & Telephone Corp. fell 4 percent Friday after the company said it would report pretax profit of about 349 billion yen ($2.89 billion) for the year ending March 31, about 10 percent below some analysts' expectations.

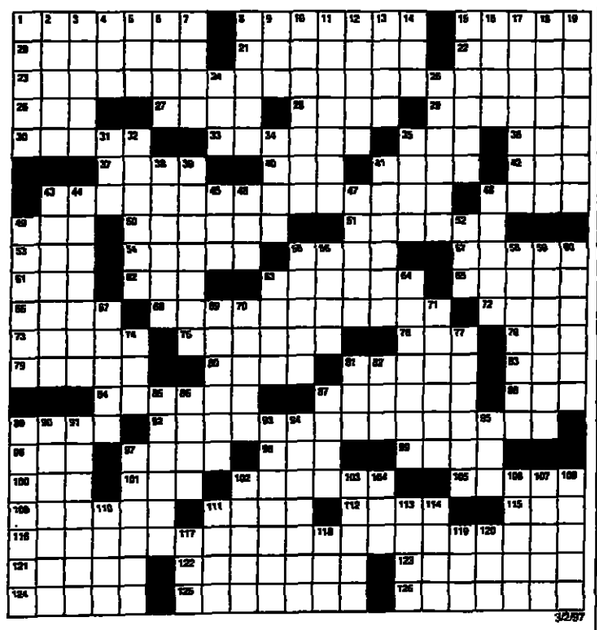
The shares closed at 859,000 yen, down 34,000 yen.

But Japan's largest phone company also said it expected pretax profit to grow to about 354 billion yen in the next financial year, a figure deemed low by bullish analysts.

"This is a very conservative forecast," said Toshiaki Iba of Dresdner Kleinwort Benson (Asia) Ltd. "We expect NTT's pretax profit to easily top 400 billion yen in the next business year." Mr. Iba cited the prospect of a 10 percent gain in NTT's local-call traffic, helped by Internet users.

Meanwhile, an NTT rival, Kokusai Denshin Denwa Co., lowered its pretax profit estimate for the current year to 21 billion yen from 24 billion yen. In contrast to NTT, it said its pretax profit would decline by nearly 20 percent in the next financial year, partly due to rate cuts. *(Bloomberg, Reuters)*

PERFECT SQUARES, By Harvey Estes



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ACROSS

1 Follow
8 Cases
15 Unmemorized words
20 Begin, e.g.
21 Less stirred
22 Winslow Homer's home
23 Be ecstatic
26 King of the 18th dynasty
27 Parodied, with "up"
28 Poetic contraction
29 Even though
30 Tiny bit
33 Go to bat for
35 Sault — Marie
36 Okla. football rival
37 "Women and Love" author
40 Neighbor of Minn.
41 Garish
42 Paris-to-Marseilles dir.
43 Song from the Beatles' "Sgt. Pepper" album
48 Rocker Joan
49 Principle of philosophy
50 Old Alka-Seltzer mascot
51 Finder's cry
53 Slippery —
54 Land of the Chosen people
55 "Diary of a Genius" author
57 Bring upon oneself
61 Stout relative
62 With 86-Down, partner of buts
63 Brunch beverage
65 — incognita
66 Musical measures
68 Some gold diggers
72 Watch word
73 Not chronic
75 Approached
76 Nice view
78 Fraternity letter
79 Pool contents?
80 "It's — . . . World"
81 Bow in the theater
83 Reunion group
84 B flat's equivalent
87 1985 N.L. Cy Young Award winner
88 Ally of the U.S.
89 Raised
92 Slots
96 King's title: Abbr.
97 Melville foretopman
98 Singer Janis
99 Rockefeller Center muralist
100 Chemical suffix
101 Hosp. areas
102 Sandinista foe
105 Cruise in style
108 Reception helper
111 Performs, for King James
112 Downwind
115 Dauphin's father
116 1970 Chicago hit
121 Waste maker
122 Partly coincide
123 Show up
124 Vocalist John
125 Hounds
126 American and Swiss

DOWN

1 Strains, in a way
2 Exhaust
3 Where Sir Arthur Evans excavated
4 Hall-of-Famer Hubbard
5 Slimmer swimmer
6 Some Ivy Leaguers
7 Water barrier
8 It's quarried in Vermont
9 Continuous sound
10 Celebrated
11 Galore
12 Like some floors
13 Presumptive person?
14 Full house indicator
15 Sashayed
16 Brush carelessly
17 Poet's prerogative
18 Most pitch-black
19 Optimal option
24 Objective
25 First published work by 39-Down
31 Antonio's role in "Evita"
32 Aguirre portrayer
34 Very alluring
35 Whisky drink
38 Alert
39 The Sage of Concord
41 Charpentier opera or its heroine
43 "Ben-Hur" author
44 Round trip of sorts
45 Spot
46 Humphrey's "High Sierra" co-star
47 Malefactor
48 Jamie Lee's mom
49 It's often in hot water
52 Supplies
55 Treated to supper
56 Surrounded by
58 Fair play
59 Ragamuffins
60 Yard chore
63 "— Breckinridge"
64 Easily maneuverable military forces
67 Place
69 Raised
70 City with a Latin quarter
71 Composed
74 Drain trap shape, at times
77 Petered out
81 Provincetown catch
82 Tennis shot
85 Like some wages
86 See 62-Across
87 Chap
89 Get some air
90 Urban modernization
91 Chomolungma's more familiar name
93 "Do the Right Thing" extras
94 Way down?
95 Spanish diminutive suffix
97 Hammered
102 Recesses
103 Coarse files
104 Former ring king
106 Riding accessories
107 Representative location
108 Rollers?
110 Division word
111 Midler's "— Las Vegas"
113 Big cheese
114 Use acid
117 A gift in O. Henry's "The Gift of the Magi"
118 Squeal
119 Good — boy
120 Old-style interjection

Solution to Puzzle of Feb. 22-23

B	A	I	S	E	I	L	S	A	A	G	U	E	D	A	A	F	A	R
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PRIVATE: *Pretoria Wrestles With Sale of State-Owned Assets*

Continued from Page 9

stricken backwoods folks and put them into the middle class in two generations. We can do the same.'"

Because of the delays, there is frequent criticism in the press about foot-dragging, and unflattering comparisons with the Asian tigers and even to impoverished Zambia. But what is remarkable is the psychological turnaround that the ANC has made. During the long struggle against white rule, it was closely allied with trade unions and the Communist Party, and it strongly advocated state ownership.

But by 1994, some ANC ministers had became free-market enthusiasts.

They talked about selling the post office, privatizing water and filling the countryside with toll roads.

Early this month, in his state of the nation speech, Mr. Mandela named companies to be sold or reorganized.

In "a matter of months," he said, all of Sun Air and Aventura, a resorts company, would be sold, as would a big chunk of Telkom. By year's end, Airports Co., which manages the nation's airports, and Safcol, would "complete their bidding processes." By early next year, South African Airways and Autonet, the intercity bus and trucking company, would revamp.

"All these steps," he emphasized, "will be taken in full consultation with all role players, and I wish to urge both management and workers to respect this principle."

THE M★A★R★S FUND

Société d'investissement à capital variable
2, boulevard Emmanuel Servais, L - 2535 Luxembourg
R.C. : B 43139

NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

Notice is hereby given that an Extraordinary General Meeting of THE M★A★R★S FUND Sicav will be held at the office of Me Franck BADEN, Notary residing in Luxembourg - 17, rue des Bains, L - 1212, on Monday 17 March, 1997 at 2:00 p.m. with the following Agenda:

1. **Proposal of the Board of Directors to proceed with the liquidation of the Sicav;**
2. **Appointment of a Liquidator;**
3. **Sundry.**

Shareholders are advised that required quorum for the above meeting will be 50% of the capital of the Company, represented by shareholders present or represented by proxy. Resolutions will be adopted by a majority of two thirds of the votes issues by shareholders present or represented.

Dated: February 5, 1997.

The Board of Directors.

BARRY JAMES
Reporter

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If you missed his reporting in the IHT, look for it on our site on the World Wide Web:

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GT DEUTSCHLAND FUND
SICAV
2, boulevard Royal, LUXEMBOURG
R.C. Luxembourg B 25028

Dear Shareholders

At a meeting of directors of the fund in Luxembourg, on 4 October 1996 the current and future situation of the fund was reviewed.

The directors were concerned that at its present size of approximately US $5 million the fund will find it difficult to provide an acceptable level of return to its shareholders. With a small fund the expenses of management and costs of dealing in securities make it harder to achieve superior performance and an adequate diversification within the portfolio. The directors feel that this situation should be brought to the attention of the shareholders so that they may consider whether they wish to continue to hold shares in the fund.

A further meeting of the directors will be held in Februrary of this year to consider proposing to the shareholders that the fund should be put into liquidation. The costs relating to this liquidation would be borne by GT Global and not the fund shareholders.

The directors have, in the meantime, been advised by the Manager of the fund that should any shareholeder ot the fund wish to reinvest any part of the proceeds realised from the redemption of shares in the fund during the month of March 1997 into Deutschmark denominated GT German Growth Fund, an Irish domiciled UCITS and part of the GT World Series Umbrella, or, any other Irish or Luxembourg UCITS managed by the GT Global Funds Group of Companies (together the "funds"), they may do so without payment of any sales commission normally charged in relation to subscriptions to such funds. This offer does not apply to shares of any mutual fund established in the United States of America.

As stated above the directors will be writing to shareholders following their meeting to be held in February of this year with further information.

Yours faithfully

The Board of Directors

Potential investors are advised that all, or most the protections afforded by the United Kingdom regulatory system will not apply to an investment in the funds and that compensation will not be available under the United Kingdom Investors Compensation Scheme. The value (in terms of the relevant base currency of a fund) of the investments of the funds, may rise and fall due ot exchange rate fluctuations of individual currencies. The price of shares in the funds and the income from them can go down as well as up and you may not realise your initial investment. Investment in emerging markets is high risk and potentially volatile. This letter is issued in the United Kingdom by GT Global Investment Funds Ltd. regulated by the Investment Management Regulatory Organisation and the Personal Investment Authority. Copies of prospecuses for the funds are available from GT Global Investment Funds Ltd. at Alban Gate, 125 London Wall, London EC2Y 5AS.

Jetting Pad

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E-mail:www.metropole.ch

NASDAQ

Friday's 4 P.M.

The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press.

NYSE

Friday's 4 P.M. Close

(Continued)

Herald Tribune INTERNATIONAL

THE MONEY REPORT

SATURDAY-SUNDAY, MARCH 1-2, 1997
PAGE 15

MONDAY: SPORTS

Some Fertile Ground for Cultivating a Bouquet of Many Currencies

By Conrad de Aenlle

MOVING FROM currency to currency is investment for some people, speculation for others, but for those whose lives straddle frontiers — immigrants, expatriate executives, small businessmen — it is a necessity. A growing number of institutions are meeting the need with multicurrency savings and checking accounts or with money-market funds.

Both types of services allow unfettered switching among currencies. But banks also offer their usual array of customer services, such as checking, credit cards and loans, and so are more convenient. The tradeoff is that money funds are cheaper and offer higher yields.

"Joe Bloggs in the street going into the market cannot get a high rate of interest," said Jo Roddan, a spokeswoman for Fidelity Investments, which has money funds in 18 currencies.

"We combine people's money to get a higher rate," she added.

Of course, they take their cut, too. Fidelity charges a 1 percent annual management fee, which is high compared with American money-market mutual funds and even by more tolerant international standards. Mercury Asset Management charges 0.75 percent, for instance, and Guinness Flight 0.5 percent.

Fidelity has a minimum-investment requirement of $2,500 for its dollar fund or the equivalent of £2,000 ($3,260) for the others. The minimum is $5,000 for Mercury's funds and £5,000 for Guinness Flight's.

Mercury's range is much smaller than Fidelity's, with funds denominated in pounds, dollars, Deutsche marks and Swiss francs. Guinness Flight has the same four, plus yen. A crucial point for tax planning is that Guinness Flight provides the choice of roll-up funds or distribution funds. The Fidelity and Mercury funds are only offered as roll-ups.

With roll-up funds, interest is not paid out but is instead tacked on to the value of the shares. The entire return, therefore, is a capital gain. A distribution fund pays all income out periodically, with no capital gain. Opting for one variety over the other can mean lower, or at least delayed, taxes, depending on a person's country of residence.

Multicurrency funds and bank accounts are often based offshore, providing flexibility to clients who must cope with more than one tax system. Offshore accounts pay interest without deduction of the tax that onshore banks in some countries are required to withhold but that many expatriates and foreign residents often are not liable to pay.

Fidelity's funds are located in Bermuda, Guinness Flight's are on the Channel Island of Guernsey and Mercury's are in Luxembourg.

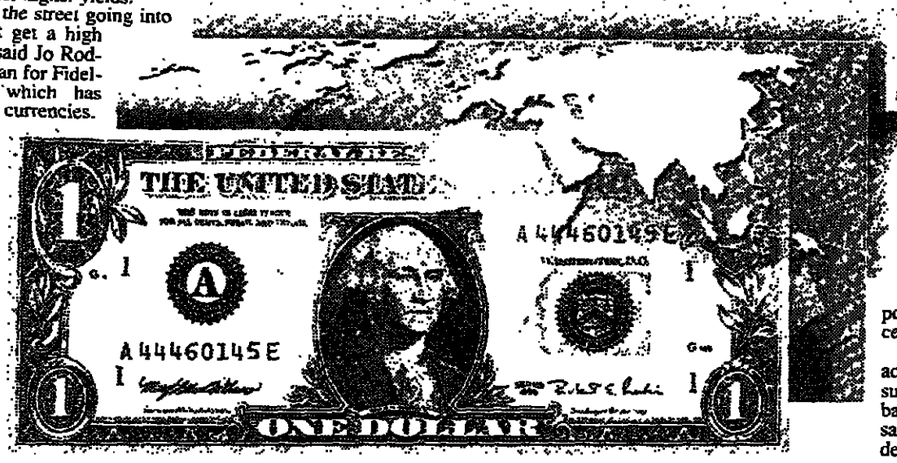
IN ADDITION to offering higher rates, money funds allow exchanges between currencies on more advantageous terms than banks do. Exchanges are usually done at the interbank spread, a matter of a few hundredths of a percentage point, while banks swap currencies at wider differentials.

Currency Forecasts *Value of one U.S. dollar in foreign currency, except as noted; figures are averages for quarter.*

	1997 1st	1997 2d	1998 1st
Japanese yen	123	125	130
German mark	1.68	1.75	1.80
French franc	5.68	5.90	6.03
Swiss franc	1.47	1.53	1.58
Dutch guilder	1.89	1.96	2.02
Belgian franc	34.7	36.0	37.0
U.K. pound*	1.62	1.57	1.56
Irish punt*	1.61	1.61	1.53
Italian lira	1646	1714	1747
Spanish peseta	141	147	149
Portugese Escudo	165	169	178
Swedish krona	7.45	7.71	7.92
Danish krone	6.41	6.65	6.84
Finnish markka	4.96	5.14	5.13
Norwegian kroner	6.50	6.82	6.93
Australian dollar*	0.77	0.76	0.80
Canadian dollar*	1.35	1.32	1.28
New Zealand dollar*	0.69	0.67	0.68
Hong Kong dollar	7.79	7.79	7.79
Indonesian rupiah	2420	2460	2520
Malaysian ringgit	2.53	2.53	2.54
Singapore dollar	1.43	1.43	1.42
Korean won	747	747	747
Taiwan dollar	25.3	25.3	25.3
U.S.$/ECU	1.16	1.12	1.09

*U.S. dollar per unit of foreign currency

Source: Merrill Lynch — International Herald Tribune



An offshore-account holder at Royal Bank of Scotland exchanging dollars for pounds in a small transaction would have had to pay $1.6401 per pound one day last week; going the other way, buying dollars with pounds, the investor would have received only $1.5951 per pound.

But exchange rates get better as transactions get larger. Nualla Cullinane, a supervisor in the bank's foreign section, based in Jersey, in the Channel Islands, said clients "have the option to go to the dealers to try to get a higher rate."

The bank offers instant and time-deposit accounts in a number of currencies, with a minimum deposit of £10,000 or the equivalent. But the only currencies for checking accounts are pounds and dollars. The checking accounts earn interest, but only if balances are kept above $5,000.

But account holders may never receive their interest. There is an annual charge of $60 to keep the account, plus a $5 fee per check written. A bounced check costs $50.

Retail banks often have high charges on such accounts because few of their customers demand them. At Barclays, for example, foreign-currency accounts are offered "more for the convenience of being able to do that" and not as mainstream products, said Jo Wright, a spokeswoman for the British bank.

Barclays offers checking accounts, based either in Britain or one of several offshore centers, on "all currencies that are freely traded in London; as long as you can name it, we can probably do it," Ms. Wright said.

No interest is paid on the accounts, which are free as long as a minimum balance of $2,000 is maintained. Otherwise, there is a quarterly charge of £7.

THERE IS also a Byzantine structure of per-check charges, depending on the amount of the check and the way the bank clears it. Barclays also has foreign-currency savings accounts. Interest rates are low, 0.625 percent on Deutsche marks, for instance, and interest is paid only if a balance equivalent to $3,000 is maintained.

Citibank pays similar rates on savings balances in a dozen or so currencies. It has a more international focus than the British banks, which aim their products at a British clientele, and therefore offers a different range of checking, savings and card services in its different offices.

"Local markets develop from local requirements," said Amanda Iremonger, a spokeswoman for the bank's London office. "Increasingly, broadly, you can get not only local-currency accounts but foreign-currency accounts."

Citibank's rival, Chase Manhattan, has no foreign-currency accounts, except in Hong Kong, where it offers U.S. and Hong Kong dollar checking accounts.

One of the most versatile services is available from Guinness Mahon, a unit of the Bank of Yokohama in Guernsey. It offers checking and savings accounts in more than 25 currencies. The accounts pay more attractive interest rates than those at other institutions, although a balance equivalent to £5,000 must be maintained, and spreads on conversions between currencies are much thinner.

AN ESPECIALLY convenient feature is a single checkbook on which checks in any of the currencies can be written. The bank also offers trust services, payment cards payable in dollars or pounds and secured loans in 25 currencies, but not mortgage loans.

Until this year, the bank had not imposed fees on its accounts. But new clients whose combined average daily balance in all accounts falls below £2,500 in a given quarter will be charged £25.

"With all the attendant administration, at a certain low level of activity the accounts become uneconomical," said David Whitworth, a Guinness Mahon director, in explaining the new fees.

"If they can't maintain these relatively low levels, we recoup the cost of the service," he added.

Mr. Whitworth noted that while more banks had begun providing foreign-currency accounts, demand was also growing, typically among expatriate business executives, the bank's biggest customers.

"Quite a lot of people offer these things," he said.

"Over the last 25 years, lots of people have started moving around," he added. "It doesn't matter where they move to, they've got this facility."

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Profile of a European Portfolio

Country weightings of the DAX 100, an index of German blue chips, and the Morgan Stanley Capital International Europe index, in percent

	DAX 100	MSCI Europe index		DAX 100	MSCI Europe index		DAX 100	MSCI Europe index
Germany	51.31%	19.53	France	4.76	12.32	Luxembourg	0.00	0.00
Belgium	0.00	2.17	U.K.	7.33	31.40	Netherlands	5.61	6.83
Denmark	1.46	1.01	Ireland	0.00	0.72	Norway	2.53	1.09
Finland	0.00	1.42	Italy	5.73	5.42	Austria	0.00	0.72
Portugal	0.00	0.00	Sweden	8.87	4.62			
Spain	0.26	2.66	Switzerland	12.14	19.14			

Source: Deutsche Bank — International Herald Tribune

Early Prospecting for Euro-Gems

By Digby Larner

AS THE deadline approaches for the introduction of Europe's single currency on Jan. 1, 1999, doubts about the project are easing among economists and business executives.

There is a sense that monetary union will take place as scheduled, although which European Union nations will be founding members is not yet clear.

With this increased confidence has come excitement over the investment opportunities created by the single currency, the euro. In the last few months, Deutsche Bank, in Frankfurt, and the fund manager Intrag of Zurich have started mutual funds aimed at making the best of euro opportunities (Page 17).

They plan to invest in corporations — not necessarily in Europe — whose growth would be boosted by the euro.

While other managers have yet to introduce dedicated euro growth funds, many foresee positive impacts on their businesses from the single currency.

Stephen Cohen, a fund manager with Mercury Asset Management PLC, said he believed the euro would encourage stalwart domestic investors throughout Europe to adopt pan-European approaches.

"The currency risk keeps a lot of investors at home," he said. "They like solid local businesses with names they know, even though they are probably global operators that are not really generating local earnings."

With the currency risk gone, investors will be more inclined to exploit pricing anomalies that exist within certain European sectors, Mr. Cohen said.

"It's a technique we've been using for more than five years," he added.

"When we wanted to buy chemical stock, we found that it was cheaper to buy German companies rather than, say, I.C.I. in Britain. German high-tech companies, on the other hand, were a lot more expensive than the sector average."

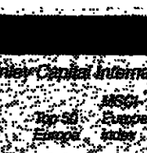
These anomalies eventually work their way out of the system, bringing higher-than-average profits for investors who bought stock in undervalued sectors. If, as Mr. Cohen predicted, European investors start scouting across borders for good-value stocks, pricing anomalies will be corrected more quickly.

The chemical sector is now old news, he said, but pricing anomalies currently exist among growth companies.

"This is mainly because there are more listed growth companies in Britain than in Continental Europe," Mr. Cohen said.

Some businesses are expected to benefit directly from the single currency, said Juliet Cohn, co-manager of Kleinwort Charter Investment Trust. She said she believed the euro has an 80 percent chance of being introduced.

"That's high enough for us," she said. "But investors need to put an emphasis on stock selection rather than on particular countries. Spain might look like a good bet, but if we can't find any stocks there we like, we won't buy just anything in order to get country exposure."



Her favorite sector in the short term is information technology, even before the euro's scheduled introduction. Because the euro will lead banks and other financial institutions to update technology to accommodate the new currency, computer-system providers are likely to enjoy higher-than-average growth.

"On top of that, the rationalization of the financial sector, post-euro, will lead to mergers and acquisitions, which, likewise, will cause IT systems to be updated," Ms. Cohn said.

With this in mind, Kleinwort Charter Investment Trust has holdings in Getronics of the Netherlands, the Danish company T.T. Tieto and SAP AG of Germany.

But despite the sector's good prospects, investors still need to pick stocks carefully.

"Ideally, you want quality growth companies that are financially healthy," Ms. Cohn said.

More generally, she predicted a rush of European investment after 1999 from companies that have been holding back cash because of uncertainty surrounding the single currency.

This will help drive up a broad range of European stocks. The main difficulty for would-be euro-opportunities investors, however, is knowing which countries will take part.

An Italian technology company may show the right signs but will be of little use if Italy is excluded from euro membership. The current favorites to join from the outset are Belgium, Finland, France, Germany, Ireland, Luxembourg and the Netherlands, although only Luxembourg would be likely to qualify if the Maastricht rules were to be applied today.

The participants are expected to be announced by the European Commission early next year.

David Potts, European fund manager with Guinness Flight Global Asset Management Ltd. in London, said he expected banks to be the biggest euro beneficiaries, despite the heavy cost of buying new technology and the loss of income earned on currency exchange.

"Banks will have to address their cost base," he said. "France and Italy are urging their banks to do so already. Through mergers and rationalization, they will have to increase their return on equity if they are to be competitive on the broader European stage."

The investment risks differ from bank to bank, he added.

"You can either go for quality banks, with big names, that are secure but which are not so cheap," Mr. Potts said. "Otherwise, you can go for riskier banks that you think are good merger prospects."

"If you are proved right," he added, "the share price would probably rise faster than the market average."

If you are wrong, of course, the bank could disappear, taking your money with it.

He added that the division between predators and prey can depend on where they are based.

Dutch banks are taking an interest in the French market, for example. Credit Commercial de France, although not considered a weak bank, is a potential acquisition target, Mr. Potts said.

On the Dutch side, he cited ABN Amro Bank and ING Groep NV as the most likely banks to hit the post-euro

Continued on Page 17

Dollar Bulls Get Long in the Tooth

Despite Steady Climb, Others Say, a Fall May Not Be Far Off

By Aline Sullivan

THE BELIEF THAT the dollar can only rise this year is almost as profound in many investment circles as the faith in Wall Street. But boundless confidence may be misguided.

Since the beginning of the year, the dollar has soared about 7 percent against the Deutsche mark and 9 percent against the yen. Gains since the postwar lows of 1995 come in at about 23 percent and 54 percent, respectively. It seems that everybody is betting that the relative strength of the U.S. economy against its European and Asian rivals can only increase.

But a few traders and economists say the dollar's glory days may be numbered.

"The premise that everything is perfect in America will be tested in the second half of this year," said Stephen Roach, managing director of equity research at Morgan Stanley & Co. in New York. "People will be disappointed about the credibility of the U.S. budget plan and surprised when inflation rises. This is not good news for investors in dollar-denominated assets."

Another worry among some professional investors is that the recent buildup of foreign holdings of U.S. Treasury securities — more than $200 billion last year, or about four times the recent annual level — could topple, bringing a plunge in the dollar.

Investors' perceptions that U.S. interest rates are on the rise helped fuel much of the dollar's recent gains. Indeed, some economists are predicting short-term rates of as high as 7 percent by the end of the year, up from the current 5.5 percent. Rising interest rates boost demand among investors for a country's currency, putting upward pressure on its value.

But interest-rate gains this year will not be confined to the United States.

"The presumption that foreign interest rates won't rise will be tested because that is going to happen in Europe and Japan," Mr. Roach said.

That, he added, combined with "a good old-fashioned dose of reality" regarding the U.S. budget deficit, "will send the dollar heading the other way."

The turnaround may already have started. Japan has had some success in boosting the value of its currency in recent weeks, while the Bundesbank is thought to be weighing similar measures. Germany, like many of its neighbors, is battling a sluggish economy that has so far kept its interest rates low. But concerns are growing that its currency has become too weak. Investors have been pulling funds out of both Germany and Japan in search of higher yields.

Donald Straszheim, the New York-based chief economist of Merrill Lynch & Co., suggested in a note to clients last week that German interest rates may soon rise. This followed statements by Hans Tietmeyer, the Bundesbank president, that the dollar has appreciated enough.

For now, however, Mr. Straszheim said he believed that the Bundesbank would stay its hand. He predicted that the dollar would rise to 1.80 DM and 130 yen in coming months from its current levels of about 1.68 DM and 121 yen.

Mr. Roach was less sanguine. He forecast that the dollar would sink to 1.60 DM and 120 yen by the end of the year. But he conceded that the short-term gains fueled by the current confidence in the dollar could push the currency as high as 1.75 DM and 130 yen.

Seth Garrett, chief dealer and director of foreign-exchange at Credit Suisse First Boston in New York, voiced what appeared to be the majority view. He was confident about the dollar's long-term prospects but warned investors to sit tight for the next few months.

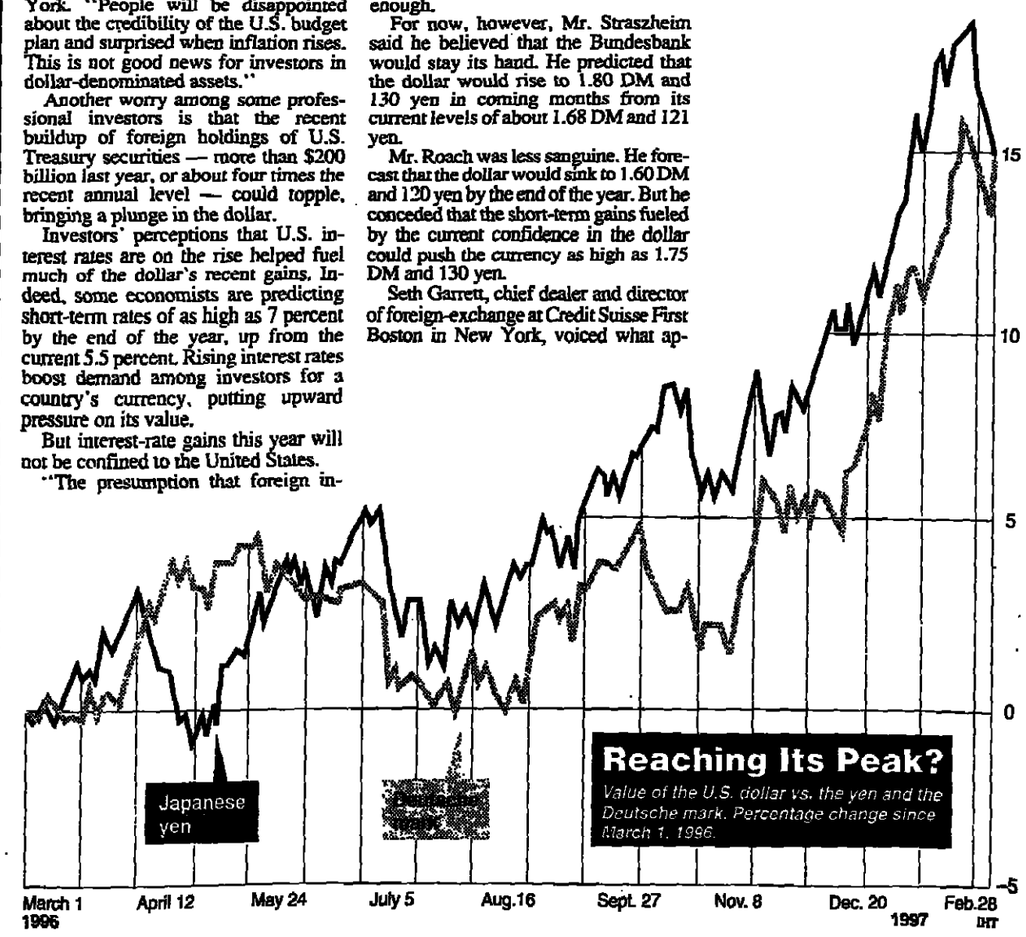
"We have reached the point where we may have some substantial corrections," he said. "It is possible that the dollar will drop as low as 1.64 DM and 120.5 yen before it starts rising again."

That outlook was echoed by Robert DiClemente, senior economist at Salomon Brothers Inc. in New York.

"Fundamentally, the prospects for the U.S. are better than almost anywhere else," he said. "The fiscal policy is in better shape and the monetary policy is more stable. We expect the dollar to settle at 1.70 DM and 125 yen over the next several months."

While many professional investors are confident that the dollar will remain strong this year, the number of doubters seems to be rising.

"The key word is volatility," said Mr. Roach. "This will be a volatile year."



Reaching Its Peak?

Value of the U.S. dollar vs. the yen and the Deutsche mark. Percentage change since March 1, 1996.

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m Callander E-Europa FRF 11727.80
m Callander E-Swiss Growth SF 1880.36
m Callander E-US Health Care $ 74.37

CAPITAL INTERNATIONAL
m Capital Int'l Fund $ 187.38
m Capital Italia SA $ 53.92

CAPITAL INVESTMENT GROUP PLC
m Capital Growth Fund $ 9.49

CDC INTERNATIONAL
m CEP Court Terme FF 200472.26

CHEMICAL IRELAND FD ADM LTD
353-1 46 12 433
m AHL Diversified Plc $ 15.05
m Korea 21st Century Invt $ 6.45
m The Yellow Sea Invt Co $ 8.09

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P.O.B 1221 Luxembourg, Tel. (352) 451-4-1
d Citinvest Global Bond $ 119.07
d Citinvest FGP USD $ 1364.55
d Citinvest FGP ECU Ecu 1484.27
d Citinvest FGP ESP Ptas 10847.00
d Citinvest Selector $ 1445.17
d Citicurrencies USD $ 1892.13
d Citicurrencies DEM DM 157.04
d Citicurrencies GBP £ 188.18
d Citicurrencies Yen ¥ 12634.00
d Citiport N.A. Equity $ 372.45
d Citiport Core, Euro Equity Ecu 265.89
d Citiport UK Equity £ 180.15
d Citiport French Equity FF 1947.90
d Citiport German Equity DM 136.14
d Citiport Japan Equity ¥ 4139.00
d Citiport Asset Fund $ 1847.94
d Citiport Eastern Europe $ 181.48
d Citiport N.A. $ Bond $ 255.53
d Citiport Euro Bond Ecu 198.45
d Citiport Jap Sm Co $ 2311.00
d Citiport Global Bond Plc LI 1781.65
d Citiport US Bd Fund $ 101.51
d Citiport US Eq Gro $ 112.24
d Citiport US Sm Cap $ 1.00
d Citiport $ LT Bond LI 1629.59.00
d Citiport $ LI Bd ITL 1059.99.00
d CL Asian Income Fund $ 108.31
d CL MGD Currency Fund $ 117.84
d India Focus Fund $ 557.30
d Money Manager I $ 10.98
d Money Manager II $ 11.04
d Citiselect Pfd Balanced Fd $ 11.32
d Citiselect Pfd Growth Fd $ 11.16
d Citiselect Pfd Enhanced Grth $ 11.14

CITIBANK (PARIS) S.A. 24/02/97
d Citi Add Capital Dfd Fd $ 10.84
d Citi Gld Asian Mkts Fd $ 10164.13
d Citi Japan 100 $ 100.59
d Citi Japan Fd $ 101.45
d Citi Lat Amer Cap Gld Fd $ 10.96
Warn $ 5463.76

CITIBANK GLOBAL ASSET MGT (ASIA) Ltd
Tel 00 852 2848 6266 Fax 00 852 2523 1379
d CIF (Cayman) Asia Eq $ 9.73
d CIF (Cayman) H.K. Eq $ 13.02

CITITRUST
m Citiperformance Pnt S.A $ 21.488
m The Good Earth Fund $ 17.978

COMMERZBANK (20-11-44 76 75 10
m C.F.E Oyrex Fund $ 15.0154
m C.F.E. Latus Fund $ 11.9558
m Compact Asia $ 1945.55
m Compact Europe SF 2442.12

CONZETT HOLDINGS LTD
m Contrarend Limited SF 1625.92
m Conzett Europa Invest Ltd SF 1419.48
m Conzett Forex Fund Ltd SF 2424.94
m Emerging Mkts Quant Fd Ltd DM 1726.54
m Equitiburs Fund Ltd DM 1257.51
m Sunflower Trading Fund Ltd DM 1575.39

COWEN ASSET MANAGEMENT
Cowen Enterprise Fund N.V.
f Class A Shs $ 1221.85
f Class B Shs $ 1884.06

CREDIT INVESTMENT FUNDS
Tel: +41 1 220 8500 Fax: +41 1 221 3425
m CSI Portf Plz Inc (DM) A DM 10a1.76
m CSI Portf Plz Inc (DM) B DM 1097.28
m CSI Portf Plz Inc (SFR) A SF 1046.41
m CSI Portf Plz Inc (SFR) B SF 1072.47
m CSI Portf Plz Inc (US$) A $ 1048.07
m CSI Portf Plz Inc (US$) B $ 1076.39
m CSI Portf Inc DM A DM 1123.71
m CSI Portf Inc DM B DM 1270.89
m CSI Portf Inc (Lire) A LIT 117493.00
m CSI Portf Inc (Lire) B LIT 122287.00
m CSI Portf Inc SFR A SF 1102.68
m CSI Portf Inc SFR B SF 1211.29
m CSI Portf Inc US$ A $ 1051.79
m CSI Portf Inc US$ B $ 1174.88
m CSI Portf Bd DM DM 1287.16
m CSI Portf Bd SFR SF 1244.32
m CSI Portf Bd US$ $ 1407.54
m CSI Portf Focus SFR A/B SF 1084.90
m CSI Portf Growth DM DM 1257.03
m CSI Portf Growth SFR SF 1210.44
m CSI Portf Growth US$ $ 1210.37
Credit Money Mkt Fd BEF BF 1421.00.00
Credit Money Mkt Fd CS CS 1560.75
Credit Money Mkt Fd DM DM 1949.87
Credit Money Mkt Fd ECU Ecu 1388.55
Credit Money Mkt Fd FF FF 7029.77
Credit Money Mkt Fd HFI FF 1225.59
Credit Money Mkt Fd LIR LIT 1924443.00
Credit Money Mkt Fd Plc $ 1357.00
Credit Money Mkt Fd Ptm Ptas 15.000.00
Credit Money Mkt Fd SF SF 427.82
Credit Money Mkt Fd $ $ 1421.00
Credit Money Mkt Fd Yen ¥ 147488.00
Credit Money Mkt Fd £ £ 2738.55
Credit Money Mkt Fd ATS ATS 18740.61
Credit Eq Fd Cat Blue Ch A DM 396.38
Credit Eq Fd Cat Blue Ch B DM 431.57
Credit Eq Fd Eur Blue Ch $ 1226.09
Credit Eq Fd France A FF 1467.47
Credit Eq Fd Germany A DM 357.20
Credit Eq Fd Germany B DM 389.21
Credit Eq Fd Gold Mines A $ 273.35
Credit Eq Fd Gold Mines B $ 299.51
Credit Eq Fd Hisp Ber A Ptas 42514.00
Credit Eq Fd Hisp Ber B Ptas 47365.00
Credit Eq Fd Italy A LIT 28774.00.00
Credit Eq Fd Italy B LIT 30112.00.00
Credit Eq Fd Jap Mngd SF SF 207.77
Credit Eq Fd Jap Mngd ¥ ¥ 19968.00
Credit Eq Fd Latin Amer $ $ 1081.65
Credit Eq Fd Netherlds A FL 924.11
Credit Eq Fd Netherlds B FL 847.45
Credit Eq Fd Nth-Amer A $ 358.09
Credit Eq Fd Nth-Amer B $ 399.47
Credit Eq Fd Oeko-Protec A DM 253.95
Credit Eq Fd Oeko-Protec B DM 280.42
Credit Eq Fd Small Cap Eur DM 1733.19
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Credit Eq Fd Small Cap Jap ¥ 58815.00
Credit Eq Fd Sm Cap USA $ 1779.96
Credit Eq Fd UK A £ 143.71
Credit Eq Fd UK B £ 159.05
Credit Eq Fd Tiger India $ 1092.58
Credit Korea Fund $ 478.52
Credit Suisse-Mix Cap Switz SF 1187.10
Credit Suisse Fds Intl SF 1143.27
CS Gold Value $ 1433.27
CS Tiger Fund $ 1110.64
Energie - Valor SFr 206.36
Europa Valor SFr 367.22
Pacific - Valor SFr 1284.00
Schweizerpfoben SF 1253.79
Bond Valor D - Mark DM 136.03
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Bond Valor US - Dollar $ 139.31
Bond Valor Yen ¥ 11668.00
Bond Valor £ Sterling £ 112.41
Convert Valor Sef SFr 175.27
Convert Valor US - Dollar $ 205.82
Credis Bond Fd Aust A A$ 1181.77
Credis Bond Fd Aust B A$ 1391.27
Credis Bond Fd Cons A $ 1158.64
Credis Bond Fd Cons B $ 1364.40
Credis Bond Fd DM A DM 1204.05
Credis Bond Fd DM B DM 1744.21
Credis Bond Fd ECU A ECU 1195.22
Credis Bond Fd ECU B ECU 1408.45
Credis Bond Fd Em Mkts $ 1395.05
Credis Bond Fd Europe A DM 257.89
Credis Bond Fd Europe B DM 247.79
Credis Bond Fd FF A FF 921.72
Credis Bond Fd FF B FF 1363.60
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Credis Bd Fd Prime Curr B SFR 130.92
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Credis Bd Fd Short-T. DM B DM 184.58
Credis Bd Fd Sh-T SFR A/B SF 181.38
Credis Bd Fd Short-T. $ A $ 104.03
Credis Bd Fd Short-T. $ B $ 185.16
Credis Bond Fd SF A SF 287.64
Credis Bond Fd SF B SF 304.47
Credis Bond Fd US$ A $ 1021.76
Credis Bond Fd US$ B $ 1343.72
Credis Bond Fd Yen A ¥ 112216.00
Credis Bond Fd Yen B ¥ 120880.00
Credis Bond Fd £ A £ 580.67
Credis Bond Fd £ B £ 1045.45
CS Capital DM 1997 DM 2031.05
CS Capital DM 2000 DM 1796.61
CS Capital FF 2000 FF 1967.90
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m Scant Bd M H Short T USD $ 1104.77
m Scant Bd M H Short T FF FFr 5443.71
m Scant Bd M H Short T DEM DM 1023.14
m Scant Bd Multi CHF CHF 1028.90
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m Scant Equity Euroval Ecu 2000.19
m Scant Eq N America $ 2778.31
m Scant Eq French FF FFr 1123.16
m Scant Eq Japan ¥ 756.81
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m Athena Gld Financials Inc $ 17.84
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m AHL Capital Mkts Fd $ 22.37
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m AHL Currency Fund $ 16.45
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m AHL Gld Commodities Ltd $ 12.96
m Mapp Leveraged Recov. Ltd $ 12.41
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m MAP Gld 2001 $ 10.87
m MAN Diversified M.S. $ 170.77
m MAN-AP 220 Limited US$ $ 10.59

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m Ermitage Inter Rate Strat DM 11.93
m Ermitage Sels Fund $ 92.30
m Ermitage Emer Mkts Fd $ 22.51
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Citinvest FGP ECU Ecu 1484.27
Citinvest FGP ESP Ptas 10847.00
Citinvest Selector $ 1445.17
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Citiport US Sm Cap $ 1.00
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CL Asian Income Fund $ 108.31
CL MGD Currency Fund $ 117.84
India Focus Fund $ 557.30
Money Manager I $ 10.98
Money Manager II $ 11.04
Citiselect Pfd Balanced Fd $ 11.32
Citiselect Pfd Growth Fd $ 11.16
Citiselect Pfd Enhanced Grth $ 11.14

CITIBANK (PARIS) S.A. 24/02/97
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Citi Gld Asian Mkts Fd $ 10164.13
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CIF (Cayman) H.K. Eq $ 13.02

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The Good Earth Fund $ 17.978

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C.F.E Oyrex Fund $ 15.0154
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Compact Asia $ 1945.55
Compact Europe SF 2442.12

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Emerging Mkts Quant Fd Ltd DM 1726.54
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COWEN ASSET MANAGEMENT
Cowen Enterprise Fund N.V.
Class A Shs $ 1221.85
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CSI Portf Plz Inc (SFR) A SF 1046.41
CSI Portf Plz Inc (SFR) B SF 1072.47
CSI Portf Plz Inc (US$) A $ 1048.07
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Credis Money Mkt Fd BEF BF 1421.00.00
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Credis Money Mkt Fd £ £ 2738.55
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Credis Eq Fd Cat Blue Ch B DM 431.57
Credis Eq Fd Eur Blue Ch $ 1226.09
Credis Eq Fd France A FF 1467.47
Credis Eq Fd Germany A DM 357.20
Credis Eq Fd Germany B DM 389.21
Credis Eq Fd Gold Mines A $ 273.35
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Credis Eq Fd Hisp Ber A Ptas 42514.00
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Credis Eq Fd Italy A LIT 28774.00.00
Credis Eq Fd Italy B LIT 30112.00.00
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Credis Eq Fd Small Cap Jap ¥ 58815.00
Credis Eq Fd Sm Cap USA $ 1779.96
Credis Eq Fd UK A £ 143.71
Credis Eq Fd UK B

troubled downtown comm- (Reuters)

ine Gas Fells 19 Mall in Sydney

Y — Poisonous chlorine 19 people and forced the of more than 500 shoppers the second such attack at pping center this week. stgate Shopping Center chlorine fumes shortly be- M. fire department officers authorities discovered the from a gas jar on the middle of the complex. ries did not disclose any otives for the attack. nesday, four people were nonrespiratory problems me gas device went off in ick Village shopping cen- e gas is a strong irritant n acid when mixed with (AP)

ing Suspects ed in China

— The police have ar- ects in the bombing of n northwestern China, an as the death toll rose to wing protests against a nation- ority's policies.

n Xinhua News Agency traveling parts of Xinjiang, the cap- Xinjiang region, almost ily Tuesday.

ianist Party official in Ghulja and three people n the rioting, including said four several other seriously wounded ests in Ghulja reached by ed Press saying in rumors were circulating h to several times (AP)

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THE MONEY REPORT

What's in a Brand Name? A Lot, but Don't Overlook the Wallflowers

IN THE STOCK MARKET, the brand names have made the big gains. For example, over the past year, Gillette Co., the world's biggest seller of razors, electric shavers (Braun), toothbrushes (Oral-B) and pens (Paper Mate and Parker), has returned about 55 percent for its shareholders in increased price plus dividends. That is more than twice the gain of the market as a whole.

Philip Morris Cos., whose brands include Marlboro cigarettes, has returned roughly 41 percent. Coca-Cola, which owns the top trademark in the world, is up 51 percent.

Microsoft Corp., whose logo is slapped on most computer operating software, has risen 94 percent, and Procter & Gamble Co. (Crest toothpaste), 49 percent.

In fact, companies that sell brand-name goods have become brand-name stocks. That is happening in part because so many new investors, unsure of their stock-picking skills, are entering the market. Naturally, they are buying what sounds familiar, big and safe.

The Dow Jones industrial average, whose 30 stocks form a brand-name paradise, has climbed 80 percent in the past three years, but the Russell 2000, which tracks no-name small stocks, is up a mere 44 percent.

Have brand-name stocks risen too far, too fast? It certainly looks that way. I am not saying you should sell what you own. If you are willing to hold them through a correction or even a bear market, these stocks should continue to thrive over the long haul.

But if you are thinking about *new* investments, it is time to look at companies that are a cut below the brand-name biggies.

Even in a market that may be suffering from "irrational exuberance" (a phrase Alan Greenspan, the Federal Reserve Board chairman, reiterated last week in his semiannual presentation to Congress), there are promising stocks, with good names and managements but without absurd prices. But be warned: the pickings are slim, and getting slimmer.

JAMES GLASSMAN *ON INVESTING*

Marshall Acuff at Smith Barney Inc. points out that the stocks of some hot brand-name companies, including General Electric Co. and P & G, are trading at two to three times their expected rate of profit growth.

Mr. Acuff, however, has found some brand names whose prices are modest "despite very positive longer-term fundamentals." He likes Amgen Inc., the biotech firm, and Nokia Corp., the Finnish cellular-phone company.

Smith Barney also recommends these brand names, which offer sound growth at decent prices: Aluminum Corp. of America (a Dow industrials stock), trading at a price-to-earnings ratio, based on 1997 earnings projections, of 13; Dresser Industries Inc., oil service, at a P/E of 12; Chase Manhattan Corp., at a P/E of 12 but with earnings one year ahead.

J.P. Morgan Co., the New York bank, rose to $106 from $61 over those seven months. IBM jumped 46 percent.

BUT SOME of our branded wallflowers remain within buying range. Two to consider are Dow Chemical Co., at a P/E of 11, and Du Pont Co., which has risen 25 percent since July but still appears attractive. Here are other stocks to consider:

- Among the 13 stocks recommended for purchase on the Focus List of Dow Theory Forecasts, a conservative newsletter, are at least two "cut-below" brands: Pittston Brink's Group, which sells alarm systems, and Southwest Airlines Co. (P/E 15), whose price has dropped 30 percent since its April high.

Jeremy Butler of the Value Line Investment Survey oversees a 20-stock portfolio for "performance and income" with several second-tier brands that pay decent dividends. Among them: Occidental Petroleum Inc., with a P/E of 14 and a dividend yield of 4.0 percent; Moore Corp., office supplies (with customers in 50 countries), at a P/E of 14 and a yield of 4.5 percent; NationsBank Corp., (P/E 13, yield 2.4 percent), and Timken Co., the metals fabricator (P/E 11, yield 2.4 percent).

- Dean Witter Reynolds Inc. recently boosted Westvaco Corp., the paper producer, to its buy list. The firm's analysts predict an earnings growth rate of 15 percent annually for the next five years, and the stock trades at a P/E of 14.

Also elevated was Johnson Controls Inc., a company that makes monitoring systems and can benefit from the trend toward outsourcing by auto companies.

Washington Post Service

No-Thrills Speculating: Low Risk, Low Gain

By Conrad de Aenlle

YOU DO NOT have to be George Soros to speculate on currency movements. Small-timers can buy any of three dozen offshore funds that invest in short-term debt instruments of different countries as a means of trading major currencies.

Because managed-currency funds, which target small investors, do not use leverage and seldom trade anything but treasury paper and cash deposits, owning them will not provide the thrill of foreign-exchange trading. The risks are ordinary and so are the returns. In fact, the returns often are worse than ordinary.

The average managed-currency fund tracked by Lipper Analytical Services rose by 2.3 percent, when expressed in dollars, in the year through January, about half the gain available from U.S. Treasury bills. It was not just a short-run deficiency: Among the 26 funds that were in business during the five years through January, the average gained 18.4 percent, which is still less than T-bills.

This is not a good showing, considering that these funds exist to allow people whose assets are heavily weighted in a single currency to diversify should that currency depreciate and to produce higher returns than cash in the process.

"The reason for managed-currency funds being set up in the first place is as multicurrency savings vehicles, having a spread of currencies managed to a greater or lesser degree as a way of protecting the international purchasing power of your money," said Philip Saunders, a director at Guinness Flight, which markets two managed-currency funds in the Channel Islands.

"You've got to add value relative to deposit rates in their base currency," he added. "If you take these kinds of funds, what you aspire to do is outperform the cash bogey by about 150 to 200 [percentage] points on an annual basis. Over a longish period of time, the best currency funds have outperformed deposit funds."

Guinness Flight's funds are arguably among the best. Lipper ranks them first and third over five years, with returns of 33.8 percent and 28.2 percent. Over the last two years they have been average, however, and over three years they have returned only half the amount of the average fund.

"The funds that have probably done best over that five-year period would have been sterling-oriented," Mr. Saunders said. "Thinking about ours, we certainly missed out on yen and the hard-currency spike up; that was quite a significant opportunity cost."

The yen and Deutsche mark reached a peak against the dollar in the spring of 1995 before abruptly falling.

One reason the best funds are barely better than mediocre is the constraints that managers face. The aim of the funds, Mr. Saunders said, is "making cash work harder but not exposing it to interest-rate risk or volatility."

Tony Plummer, who runs two Guernsey-domiciled managed-currency funds for Hambros, gives himself more room to maneuver by buying longer-dated instruments. The current average maturity of the holdings in the fund for pound-oriented shareholders is three years.

"The fund was issued with the option to have bonds to try to boost performance," he said. Bonds generally do better than short-term debt, but they carry greater risks, too.

The funds are geared to pound- and dollar-based shareholders, with each heavily weighted in the reference currency. That is why the pound fund rose by 10.1 percent in the year to January and by 23.3 percent over three years; the dollar fund had one- and three-year returns of 3.6 percent and 13.7 percent, respectively. But over five years, the dollar fund has done better, reflecting the weakness in the pound after it was yanked from the European Monetary System's exchange-rate mechanism in 1992.

When deciding how to invest, Mr. Plummer said, "we rank currencies based on both fundamental and technical criteria using a well-defined process, which involves our chief strategist and senior investment people."

"Some of this is computerized," he added. "We look at balance of payments, inflation, government borrowing, rate of economic activity, all the ones you'd expect, for all major countries."

Then the staff studies technical factors, such as momentum, and combines the two.

Despite these efforts, "we've found it very difficult to call the sterling-dollar exchange rate," he said. Therefore, the dollar-based fund stayed mostly in dollars, even as the pound was rocketing last fall.

What makes it harder for shareholders in currency funds to come out ahead is the cost of doing business. Funds have annual management charges of about 1 percent, which is high, considering that the goal is to beat short-term deposit rates by only a bit more. Also, there are sales charges. At Hambros, the charge is 4 percent and at Guinness Flight 5 percent.

"You have a certain level of fees and charges inside funds," said Stephen Cohen, who heads the offshore funds division at Mercury Asset Management, which does not offer managed-currency funds to retail clients. "If you're going to beat T-bills and cover all those charges, you're going to have to take risks, no way around it."

Managers of currency futures funds, an alternative to managed-currency funds for large investors, do not seek to avoid risk; they crave it, using highly leveraged futures contracts to try to lift returns. Some succeed, often posting annual returns of 50 percent or more, but they also suffer spectacular failures. Because of the risks, these funds are open only to the wealthy; minimum investments of $1 million or more are common.

In the long run, they do better than conventional managed-currency funds, but not much better. The average currency futures fund tracked by Lipper rose by 34.9 percent over three years; the average currency-oriented hedge fund was up 23.3 percent.

Currency futures funds may not have souped-up performance to show for their higher risk, but they have souped-up costs. A typical fund carries a 2 percent annual management charge, plus what is euphemistically known as an incentive fee. This is often 20 percent of a year's gains.

Leading Managed Currency Funds

Total return in U.S. dollars to Jan. 31, 1996

Domicile	Fund	1 year	2 years	3 years
DB	OMI(IR) STG Mgd Curr	13.14	13.57	25.89
GU	Lloyds Int MM-Mgd STG	11.84	14.00	22.76
GU	FiveAr IntRes-Mgd STG	10.35	10.96	20.09
GU	Hambro Curr-STG Mgd	10.11	13.83	23.27
CY	Syfret GI STG MgdCur	10.11	10.52	16.13
VT	Pacif UPP-AUD MgdCur	8.78	17.53	23.23
JE	HillSam Cur-STG Mgd	6.40	11.79	20.56
CY	Syfret GI USD MgdCur	6.39	8.02	10.87
JE	Newton Univ-Mgd Cur	5.56	11.47	15.21
CY	IBI Glbl-Mgd Curr	5.52	7.94	19.08

DB=Dublin, GU=Guernsey, CY=Cyprus, JE=Jersey, VT=Vanuatu *Source: Lipper Analytical Services*

IHT

Funds That May Open Doors to Euro Deals

FOR INVESTORS who want to take advantage of the benefits that Europe's single currency may bring to certain stocks — but who prefer not to do the legwork themselves — there are several specialized mutual funds available.

Intrag, the fund-management arm of Union Bank of Switzerland, recently started a fund called UBS (Lux) Equity Invest-Eurowinners. It includes stocks from a range of sectors in eight European countries. Examples include the British retailer Marks & Spencer PLC, which it identifies as a strong domestic player with ability to expand into Europe. Daimler-Benz AG of Germany is included as a hard-currency exporter and Spain's Telefonica de Espana S.A. because it has competitive advantages in its sector.

Overall, it identifies information-technology businesses as the main euro beneficiaries, along with businesses involved in the supply or manufacture of coins and notes. Unlike some managers, Intrag believes banks will be net losers, at least in the short-term.

In Germany, Deutsche Bank-owned DWS Gruppe offers an equity and a bond fund. The bond fund, DWS Euro Strategy, aims to exploit yield discrepancies among European Union countries during the transition to full participation in the single currency early next century. It is currently invested in 12 EU currencies, including the euro, although nearly one third is in Deutsche marks.

Its equity fund, Top 50 Europa, is invested in a range of sectors in eight European countries but with an emphasis on technology and pharmaceuticals. It has a 50 percent weighting in German stocks. The fund's main targets are businesses with a long-term commitment to strong earnings growth but with good medium-term prospects.

There are no restrictions on international investors with any of these funds.

—DIGBY LARNER

For further information:
- INTRAG HOTLINE 41 1 235 7936
- DWS GRUPPE 49 69 71909 197

Various Dollars Go Their Own Ways

DOLLARS used to move in packs. As the American dollar went, so went its Canadian, Australian and New Zealand counterparts. Now, however, some traders say the link has been broken.

"The Anglos have to be separated into different stories now," said Lisa Finstrom, currency analyst at Smith Barney Inc. in New York. "They should be considered in the pecking order of yield rather than as a group."

Very different economic and political conditions make for disparate outlooks. The Canadian dollar, for example, is hampered by declining Canadian interest rates and a shaky economy. But analysts reckon that the budgetary and inflationary news released last week was encouraging, and they are looking for some strengthening against the U.S. dollar.

The Australian dollar is the darling of many traders following a huge sell-off earlier this year by Japanese investors and before China's takeover of Hong Kong in June, which may encourage investment in Australia.

Some investors are betting that the Australian currency will climb as high as 87 U.S. cents in coming months from the current level of 77.5.

In contrast, the outlook for the New Zealand dollar is grim. The government has openly discussed devaluation as a way to encourage exports. Although many economists doubt this will occur, few investors are willing to risk considerable exposure to the currency.

Ms. Finstrom, as do many traders and analysts, views the British pound as part of the dollar bloc. She predicted that investor uncertainty ahead of the general election that must be held by May would keep the pound stagnant.

BUT AFTER the election, British interest rates are likely to rise no matter who wins, said Carl Weinberg, chief economist at High Frequency economics. He predicted bank base interest rates would begin to rise by June.

For those investors wishing to take Ms. Finstrom's advice about ranking the dollar block by yields, the 30-day rate in Canada is roughly 2.73 percent, with Britain at 5.75 percent, Australia at 6.02 percent and New Zealand at 7.48 percent.

One-month U.S. Treasury bills, by way of comparison, are yielding about 5.22 percent.

— ALINE SULLIVAN

BRIEFCASE

South African Bank Sees Challenge To Foreign-Exchange Regulations

South Africa's foreign-exchange regulations, which prohibit residents from investing abroad, may soon be challenged in the country's highest court, Amalgamated Banks of South Africa Ltd., or Absa, said Friday.

Absa said in its latest economic review that aspects relating to the enforcement of foreign-exchange control measures could be in conflict with the new constitution. These include the authorities' right to enter premises without a search warrant, which the report said could be "incompatible with the 'right to privacy' provisions" in the new constitution.

The authorities' right to interrogate people suspected of infringing foreign exchange control laws, under which a refusal to reply is regarded as a violation, appeared to be in conflict with the constitution's "right to remain silent" premise, the report said. It added that "the whole apparatus of exchange controls could be challenged on the grounds that they infringe on human rights." *(Reuters)*

East Asian 'Tiger' Economies Snub Europe as Foreign-Investment Target

East Asia's so-called tiger economies are emerging as net direct investors in foreign economies, but they pay little attention to Europe, a United Nations survey found.

Europe has only a 5 percent share of the investment flows coming from Asia's increasingly affluent economies. They are keeping the bulk of their capital within Asia, but have also been lured to the United States, the United Nations Conference on Trade and Development found in the survey *(Reuters)*

ING Barings Finds Promise in Philips

Philips Electronics NV is finally ready to turn around, according to technology analysts at ING Barings Securities Ltd. In a recent issue of the firm's Global High Tech Weekly, analysts predicted that the Dutch company would earn 6.80 guilders ($3.59) per share this year after losing money in 1996. They projected 1998 earnings of 8.50 guilders per share.

A "strong focus on profitability and cash flow" will lead to "strong improvement in the coming years," the report said. It noted that Philips had maintained its 1.60 guilder dividend despite a 590-million-guilder net loss last year, which reflected, in part, restructuring charges that were higher than had been expected.

With the company's problems entirely accounted for in 1996, the ING analysts predicted that Philips shares would rise to 100 guilders in the coming year, up from the current level of about 85. *(IHT)*

Single-Currency Gems?

Continued from Page 15

acquisition trail.

The outlook for European bonds is less promising than for equities. Predicted economic growth across Europe of up to 3 percent in 1998 has increased bond-yield expectations for the coming year.

Added to this, said Stephen Macklow-Smith of HSBC Holdings PLC in London, is that traditional bond issuers are increasingly turning to equities as a cheap capital source. He said "more and more" German companies were "pushing up share prices and making friendlier noises to shareholders."

"European bonds are probably past their best," he said. "There's now more momentum in equities than from a decrease in interest rates."

But for bond investors, the euro may create investment opportunities in countries that fail to qualify in the first wave. Philip Saunders, a director with Guiness Flight, said the reduced number of different currencies within Europe would reduce the diversification needed to cut investment risk. The increased volatility this creates may increase returns.

"Income-seeking investors will still be interested in the nonparticipating countries, where more volatility may push up yields," he said.

He added that this limited range of currencies may help open up the immature East European bond market, possibly also pushing European bond investors out as far as Asia.

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WORLD ROUNDUP

Olazabal Makes Cut

GOLF Jose Maria Olazabal hit a double-bogey 8 on Friday, but still achieved his objective in his first tournament in 18 months, making the halfway cut in Desert Classic in Dubai.

A less famous Spaniard, Domingo Hospital, held a two-shot lead at the halfway stage after shooting a three-under par 69. *(Reuters)*

• Scott Hoch and Payne Stewart shot 6-under-par 65s to share the lead in the first round of the Nissan Open in Los Angeles. Tiger Woods hit a 70 but refused to talk to the press afterward, because, he said, he was not one of the leaders. *(AP)*

Doping Expert Attacked

A doping control expert at the Russian Olympic Committee lost an eye when he was severely beaten up in an attack his colleagues said could be linked to his anti-drugs work. Yuri Vdovin has partial amnesia after the incident on a Moscow street in February. Colleagues said Vdovin had doping samples with him when he was attacked.

Padres Win Pitcher

BASEBALL Japanese pitcher Hideki Irabu must take his 100 mph fastball to San Diego, major league baseball's executive council ruled. Irabu has repeatedly said he wants to play only for the New York Yankees. But the council said he was bound by a deal between the Padres and Chiba Lotte Marines, Irabu's Japanese club. George Steinbrenner, the Yankees' owner, said Friday that his club would file a grievance. *(AP, AFP)*

Ivanisevic Fights Back

TENNIS Goran Ivanisevic fought back from 4-1 down in the final set to beat Daniel Vacek of the Czech Republic, 6-3, 6-7 (2-7), 6-4, in the quarterfinals of the $815,000 Italian Indoor event in Milan on Friday.

Ivanisevic, the only seed left in the tournament, will play David Prinosil of Germany in the semifinals. Prinosil beat Petr Korda of the Czech Republic, 4-6, 7-6 (7-3), 6-3.

• Pete Sampras held off Sweden's Jonas Bjorkman, 7-5, 7-6 (7-2), to move into the quarterfinals of the Advanta Championships in Philadelphia, but Jim Courier, the second-seed and defending champion, lost to the South African Grant Stafford, 6-3, 5-7, 6-2. *(AP)*

George Widman/The Associated Press

Jim Courier serving to Grant Stafford, who won the match.

'It's A War,' Says Skater Who Fell

By Robin Finn
New York Times Service

HAMILTON, Ontario — At stake is an obscure title, a tidy $50,000 prize, and Michelle Kwan's damaged reputation. Repairs on that last but definitely not least component of this champions-only weekend skatefest are already under way.

Kwan became figure skating's fallen woman two weeks ago in Nashville when she surrendered her U.S. national title, with a resounding thud, to the 14-year-old Tara Lipinski.

Usually meticulous, and occasionally flawless, Kwan had stumbled through her long program with all the navigational skills of "a chicken with its head cut off." At least that is how Kwan, practicing hard here to defend her Champions Series title from usurpers like Lipinski, described the Nashville debacle in retrospect.

"I kind of went loony at the nationals, and that's the worst thing you can do," said Kwan.

In Nashville, a botched landing on her triple toe, double toe combination, a maneuver that had not proved traumatic for her before, was the precursor of three more mistakes. On her triple flip, she touched a hand to the ice. On her triple loop, her backside made full ice contact: she says she has the bruise to prove it.

Then, paranoid that her jumping prowess had vanished, she downgraded her triple lutz to a timid double.

"If that scared chicken happens again, she's going to be chicken soup," warned Kwan's coach, Frank Carroll.

"Losing to Tara isn't a nuclear blast; it's life, it's sport," Carroll said. "Michelle's not always going to be perfect, she's not the queen of May, she's not wearing a crown like some Venus de Milo."

On Thursday, Kwan showed up post-practice at Copps Arena wearing a sophisticated Versace-designed black variation on a catsuit theme, typical fare for a fashion-wise millionaire with the silhouette of a whippet.

But strapped to her back like a papoose was an unsophisticated backpack she calls Mr. Bear — a little indication that Kwan, a 16-year-old who studies with tutors and dreams of a college diploma, is not all glitter, eyeliner, and spiral sequences. Actually, she is plenty giggly.

Paul Chiasson/The Associated Press

Michelle Kwan going through her routine in a practice session in Hamilton.

Kwan was all business about this Olympic-style competition, the end of a season-long series of events staged in the United States, Canada, Europe, Japan and the Soviet Union. Not only is this a perfect place for some damage control, it is the perfect time to practice the art of defending a title before next month's world championships in Lausanne, Switzerland.

"I want to show everybody that I've still got it," Kwan said. "This is a fight, it's a war."

As the tiny Lipinski conducted interviews nearby Kwan cast an appraising glance in the youngster's direction when asked if they had become friends.

"We're not enemies," Kwan said with a smile that closed the topic.

Carroll said that Kwan is not concentrating on outdoing her rivals or retaining titles or pleasing her entourage.

"We're talking about Michelle Kwan skating the best she can for herself, not for mommy or daddy or Frankie," he said. "Forget the nationals, the worlds, whatever."

"I have to chase myself, I guess," said Kwan. "Maybe I expected too much of myself at Nashville, and maybe I gave myself no options."

England and France Head for Showdown

By Ian Thomsen
International Herald Tribune

LONDON — The high-scoring trend of the Five Nations rugby championship this year might be strangled when France tries to win Saturday at England's hallowed Twickenham for the first time in a decade.

France (2-0) and England (2-0) are the only unbeaten teams, and at this late stage in the tournament each side will

FIVE NATIONS RUGBY

probably be more uptight and less outgoing than in recent weeks.

Of England's last nine victories over France at Twickenham, seven have been by fewer than five points. More of the same is to be expected with a tournament Grand Slam at stake.

"It is vital we play with control right from the start," said Jack Rowell, the English coach. "The French have very good fluency, and if we allow them to exhibit it, they can be frightening. We have to fence them in with our defensive play."

The French, as always, are concerned about the English pack of forwards. This despite the new threat of England's backs, affirmed by 10 tries in its first two matches.

The English need just 32 points from the remaining two games to break the Five Nations record for scoring.

England has brought in 10 new players since the 1995 World Cup, including Phil de Glanville, who has replaced Will Carling as captain.

Rowell has been widely criticized since England's clobbering by New Zealand in the World Cup semifinal — followed immediately by its first loss to France in seven years — yet he is now favored to win his third straight Five Nations title and second Grand Slam.

The French claim to be no longer worried after winning their last two meetings with England, including the 15-12 penalty-kicking duel in Paris last year that was decided in the last minute.

"In the old days, we became too wound up, thought too much about the match," said Philippe Sella, the London-based Frenchman whose world-record 110 Tests include France's last victory at Twickenham, in 1987. "We had an inferiority complex."

This week the scrum-half Philippe Carbonneau and Olivier Merle, the monstrous second-row forward, have expressed their loathing for the English.

Sella predicted that France would not be psyched out.

"One or two players might still talk about the arrogant English, but we're not really that wound up," he said.

France, which has scored eight tries, surprisingly named the fast open-side flanker Olivier Magne among its four changes for Twickenham. Magne, a 23-year-old who plays for Dax, won his first cap as a substitute in France's 27-22 victory at Wales two weeks ago. England is enjoying the luxury of fielding the same team for a third straight game.

South Africa's Tail-Enders Fight Back

Reuters

JOHANNESBURG — South Africa's late-order batsmen added 107 runs for the last two wickets to allow the home team to reach 302 runs all out on the first day of the first test against Australia

Dave Richardson, the wicket keeper, made 72 not out. Earlier, captain Hansie Cronje had made 76 to begin a comeback after his team had lost its first five wickets for 115 runs.

Glenn McGrath, an Australian fast bowler, lived up to his statistical ranking as the No. 1 bowler in the world with a devastating burst of three wickets for 10 runs in the morning session.

McGrath exploited overcast conditions to dismiss Andrew Hudson for 0, Gary Kirsten for 9 and Jacques Kallis for 6. South Africa had lost three of its best batsmen for just 25 runs. McGrath returned after lunch to dismiss Daryll Cullinan for 27.

Shane Warne removed Cronje with the help of a brilliant catch by Mark Waugh to reduce South Africa to 195 for eight. Then Richardson hit 72 from just 87 balls with 10 fours and a six. He was supported by pace bowler Allan Donald, who made 21, and spin bowler Paul Adams who scored 15 before he fell to Warne to end the day's play.

Russian Wins Nagano Downhill Amid Complaints and Disputes

Compiled by Our Staff From Dispatches

HAKUBA, Japan — Varvara Zelenskaya won her second World Cup downhill in a month on Friday on the course that will be used for next year's Nagano Olympics.

Afterward, skiers complained that the course resembled a super-G piste while ski officials argued with the organizers over the scheduling of a second race.

Zelenskaya, a Russian, sped down the bumpy, hard-packed 2,656-meter track in one minute 35.59 seconds to collect her third World Cup downhill victory.

Hilary Lindh of the United States was second in 1:36.01.

Carole Montillet of France was a surprise third, 0.02 seconds further back.

Zelenskaya and other skiers said the course setters had not taken full advantage of Mount Happoone in laying out the 34 gates.

"It's a really good hill that's wide enough for downhill," she said.

"I think they could set the course wider to make it more like a downhill. If it had fewer turns, it would be more interesting to watch and better for downhill specialists."

A second downhill is scheduled to be held on Saturday, but an approaching cold front is expected to bring rain, high winds and snow.

The race jury urged the organizers to bring the second race forward to Friday but they refused because of sponsorship commitments and because fans had bought tickets for Saturday's race.

■ Daehlie Wins 3d Gold

The Norwegian team led from the start to win the men's relay at the Nordic World championships by 2 minutes 11.2 seconds, Reuters reported from Trondheim.

Finland finished second with Italy third.

Bjorn Daehlie, who raced the third leg for Norway, won his third gold medal of the championships.

SCOREBOARD

BASEBALL

EXHIBITION BASEBALL

THURSDAY'S GAMES
Atlanta 3, Georgia Tech 0
Baltimore 12, Minnesota 4
San Diego 4, Seattle 1, 6½ innings, rain
Brigham Young vs. Anaheim at Tempe, Ariz., ppd. rain

BASKETBALL

NBA STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	Pct	GB
Miami	42	14	.750	—
New York	41	16	.719	1½
Orlando	29	25	.537	12
Washington	25	31	.446	17
New Jersey	17	38	.309	24½
Philadelphia	14	41	.255	27½
Boston	11	44	.200	30½

CENTRAL DIVISION

Chicago	49	7	.875	—
Detroit	41	14	.745	7½
Atlanta	37	18	.673	11½
Charlotte	36	22	.621	14
Cleveland	31	24	.564	17½
Indiana	26	29	.473	22½
Milwaukee	25	30	.455	23½
Toronto	20	36	.357	29

WESTERN CONFERENCE

MIDWEST DIVISION

	W	L	Pct	GB
Utah	40	15	.727	—
Houston	37	20	.649	4
Minnesota	29	27	.518	11½
Dallas	19	35	.352	20½
Denver	17	40	.298	24
San Antonio	13	42	.236	27
Vancouver	11	48	.186	31

PACIFIC DIVISION

Seattle	39	16	.709	—
L.A. Lakers	39	17	.696	½
Portland	29	28	.509	11
L.A. Clippers	24	29	.453	14
Sacramento	25	31	.446	14½
Golden State	20	34	.370	18½
Phoenix	21	36	.368	19

WEDNESDAY'S RESULTS
L.A. Lakers 36 28 33 25—122
Washington 30 34 27 16—107
L.A.: Campbell 15-25 8-10 38, Van Exel 12-24 3-3 31; W: Howard 8-16 10-10 26, Webber 9-15 5-6 24. Rebounds—Los Angeles 44 (Jones 8), Washington 47 (Howard 12). Assists—L.A. 22 (Van Exel 12), W. 25 (Strickland 8).
Chicago 14 18 28 16— 76
Cleveland 21 20 21 11— 73
C: Jordan 7-25 9-9 23, Rodman 6-11 4-4 16. C: Brandon 9-20 5-5 23, Phills 5-14 0-0 13. Rebounds—Chicago 57 (Rodman 16), Cleveland 40 (Ferry, Phills 7). Assists—Chicago 12 (Jordan 4), Cleveland 19 (Brandon, Sura 5).
Minnesota 27 22 13 20 7 8—102
Dallas 32 17 33 29 7 6—185
M: Garnett 9-15 5-6 23, Gugliotta 10-23 2-2 22. D: Strickland 8-14 6-7 25, Finley 7-20 3-3 20. Rebounds—Minnesota 50 (Garnett 9), Dallas 70 (Green 17). Assists—Minnesota 25 (Marbury 7), Dallas 23 (Finley, Reeves 6).
Charlotte 30 25 22 19—106
Houston 33 26 19 17— 95
C: Rice 10-17 3-3 24, Curry 6-11 2-2 17. H: Elie 6-11 8-8 23, Olajuwon 9-21 4-6 22. Rebounds—Charlotte 39 (Rice, Mason, Divac, Geiger 5), Houston 55 (Barkley 13). Assists—Charlotte 27 (Bogues 11), Houston 23 (Barkley 7).
Toronto 27 23 28 36—114
Utah 36 29 28 25—118
T: Williams 10-19 7-9 32, Rogers 8-10 2-4 19; U: Malone 13-24 6-7 32, Stockton 7-9 3-4 19. Rebounds—Toronto 52 (Rogers, Jones 8), Utah 35 (Malone 13). Assists—Toronto 18 (Stoudamire 8), Utah 36 (Stockton 13).

HOCKEY

NHL STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	T	Pts	GF	GA
Philadelphia	36	17	9	81	206	157
New Jersey	31	18	12	74	165	143
Florida	29	19	15	73	175	147
N.Y. Rangers	28	26	9	65	204	176
Tampa Bay	24	30	7	55	170	191
Washington	24	30	7	55	157	172
N.Y. Islanders	20	31	10	50	165	182

NORTHEAST DIVISION

	W	L	T	Pts	GF	GA
Buffalo	32	20	10	74	181	155
Pittsburgh	31	25	5	67	217	199
Hartford	24	26	9	57	174	192
Montreal	23	29	11	57	195	222
Ottawa	20	28	13	53	173	183
Boston	21	33	8	50	179	219

WESTERN CONFERENCE

CENTRAL DIVISION

	W	L	T	Pts	GF	GA
Dallas	38	22	4	80	196	155
Detroit	30	19	12	72	195	144
St. Louis	28	29	8	64	192	199
Phoenix	28	31	4	60	181	197
Chicago	25	29	9	59	166	163
Toronto	23	37	2	48	181	219

PACIFIC DIVISION

	W	L	T	Pts	GF	GA
Colorado	38	16	8	84	209	150
Edmonton	29	28	7	65	199	193
Vancouver	28	32	2	58	201	213
Anaheim	25	30	7	57	179	187
Calgary	25	31	7	57	169	186
Los Angeles	23	33	8	54	172	210
San Jose	21	33	7	49	157	204

THURSDAY'S RESULTS
Tampa Bay 0 1 1—2
Boston 3 1 2—6
1st Period: B-Mager 8 (Stolan) 2, B-Bourque 13 (Oates, Mallette) 3, B-Odgers 7 (Myrvold) (pp). 2nd Period: T-Langkow 13 (Poulin, Wiemer) 5, B-Stumpel 14 (Roy) 3rd Period: T-Gratton 21 (Andersson, Zamuner). 7, B-DiMaio 13 (Bourque, Oates) (sh). 8, B-Donato 24 (Oates) Shots on goal: T- 11-11-11—33. B- 13-11-6—30. Goalies: T-Tabaracci. Schwab. B-Ranford, Tallas.
Buffalo 0 1 0—1
New Jersey 1 0 3—4
First Period: N.J.-MacLean 19 (penalty shot) Second Period: B-Ward 10 (Wilson, Holzinger) Third Period: N.J.-Elliott 5 (Pederson, Niedermayer) (pp). 4. N.J.-Guerin 21 (Holik) 5, N.J., Gilmour 17 (Chambers, Thomas) (en). Shots on goal: B- 8-5-8—21. N.J.- 14-11-13—38. Goalies: B-Hasek. N.J.-Brodeur.
St. Louis 0 0 2 0—2
Florida 0 1 0 1—3
First Period: None. Second Period: F-Skrudland 5 (Warriner, J.Hull) 2. F-Sheppard 21 (Mellanby, G.Murphy) (pp). Third Period: S.L.-Prangar 6 (Petrovicky, Kravchuk) 4. S.L.-B.Hull 38 (MacInnis) Overtime: 5. F-Niedermayer 10 (Gustafsson, Svehla) Shots on goal: S.L.- 11-7-8-2—28. F- 4-10-5-1—20. Goalies: S.L.-Fuhr. F-Vanbiesbrouck.
Pittsburgh 1 0 0—1
Detroit 2 1 1—4
1st Period: D-Konstantinov 5 (Larionov) 2, P-Johnson 9 (Valk, Kasparaitis) 3, D.-Fedorov 24 (Konstantinov, Sandstrom) (pp). 2d Period: D-Lidstrom 11 (Shanahan, Larionov) (pp). 3rd Period: D-Larionov 9 (Shanahan, Ward) Shots on goal: P- 10-13-7—30. D-16-12-11—39. Goalies: P-Wregget. D-Vernon.
Dallas 1 3 2—6
Colorado 1 1 0—2
First Period: D-Broten 5 (Verbeek, Huard) 2. C-Ricci 10 (Deadmarsh, Ozolinsh) (pp). Second Period: D-Zubov 12 (Broten, Huard) 4. D-Sydor 5 (Langenbrunner, Nieuwendyk) 5. C-, Lacroix 18 (Corbet, Foote) 6. D-Modano 27 (Sydor, Nieuwendyk) (pp). Third Period: D-Nieuwendyk 25 (Verbeek, Sydor) (pp). 8. D-Carbonneau 4. Shots on goal: D- 11-16-6—33. C- 10-10-8—28. Goalies: D-Moog. C-Roy.
Phoenix 0 0 2—2
Vancouver 2 4 0—6
1st Period: V-Gelinas 20 (Lumme, Burel) (pp). 2. V-Gelinas 21 (Courtnall) 2nd Period: V-Lumme 10 (Courtnall, Rohlin) 4. V-Gelinas 22 (Lumme, Linden) 5. V-, Gelinas 23 (Courtnall, Linden) 6. V-Courtnall 9 (Gelinas, Linden) 3rd Period: Phoenix, Ronning 16. 8, Phoenix, McKenzie 5 (Janney, Roenick) Shots on goal: Phoenix 11-8-14—33. V- 4-9-4—17. Goalies: Phoenix, Khabibulin, Duffus. V-McLean.
Edmonton 1 0 2—3
Los Angeles 2 3 1—6
First Period: L.A.-Khristich 14 (Yachmenev, Boucher) 2. L.A.-Khristich 15 (Tsyplakov) 3. E-, Grier 9 (McAmmond) Second Period: L.A.-J.Vopat 4 (Yachmenev, Khristich) 5. L.A.-Olczyk 20 (Shevalier) 6. L.A.-, Bykova 3 (Shevalier, Boucher) Third Period: E-Kovalenko 28 (Marchment) 8. Los Angeles, Tsyplakov 15 (Yachmenev, J.Vopat) (pp). 9. E-Kovalenko 29 (Weight, Arnott) (pp) Shots on goal: E- 10-14-8—32. L.A.- 15-10-3—28. Goalies: E-Essensa. L.A.-Fiset.

CRICKET

AUSTRALIA TOUR
FIRST TEST, 1-DAY
SOUTH AFRICA VS. AUSTRALIA
FRIDAY, IN JOHANNESBURG
South Africa innings: 302 all out.

SOCCER

SPANISH CUP
QUARTERFINALS, 1ST LEG
Las Palmas 0 Espanyol 0
Racing Santander 1 Celta Vigo 2

DIMBULL CUP
FRIDAY, IN KUALA LAMPUR
SEMIFINALS
China 3, Zimbabwe 1
Malaysia 0, Bosnia-Herzegovina 1
On Sunday China plays Bosnia-Herzegovina

SKIING

WORLD CUP

WOMEN'S DOWNHILL
FRIDAY, IN HAKUBA, JAPAN
1, Warvara Zelenskaja, Russia, 1:35.59.
2, Hilary Lindh, United States, 1:36.01.
3, Carole Montillet, France, 1:36.03.
4, Pernilla Wiberg, Sweden, 1:36.09.
5, Katja Seizinger, Germany, 1:36.31.
6, Heidi Zurbriggen, Switzerland, 1:36.36.
7, Renate Goetschl, Austria, 1:36.56.
8, Florence Masnada, France, 1:36.69.
9, Isolde Kostner, Italy, 1:36.80.
10, Alexandra Meissnitzer, Austria, 1:36.92.
Overall standings: 1. Pernilla Wiberg, 1,495 points. 2. Katja Seizinger, 990. 3. Hilde Gerg, Germany, 834. 4. Deborah Compagnoni, Italy, 787. 5. Anita Wachter, Austria, 654. tie Heidi Zurbriggen, 654. 7. Isolde Kostner, 638. 8. Warvara Zelenskaja, 488. 9. Renate Goetschl, 483. 10. Martina Ertl, Germany, 451.

TENNIS

ITALIAN INDOOR CHAMPIONSHIPS
FRIDAY, IN MILAN, QUARTERFINALS
David Prinosil, Germany, def. Petr Korda, Czech Republic, 4-6 7-6 (7-3) 6-3.
Goran Ivanisevic (1), Croatia, def. Daniel Vacek, Czech Republic, 6-3 6-7 (2-7) 6-4.

TRANSITIONS

BASEBALL

MAJOR LEAGUE BASEBALL
AMERICAN LEAGUE
ANAHEIM—Agreed to terms with RHP Jason Dickson and C Todd Greene.
BALTIMORE—Agreed to terms with RHP Archie Corbin, RHP Julio Moreno, RHP Francisco Seneaux, LHP Rich Krivda, OF Wady Almonte, INF Juan Bautista and INF Scott McClain on 1-year contracts.
KANSAS CITY—Agreed to terms with 2B Jed Hansen, 2B Sergio Nunez and RHP Brian Bevil.
MILWAUKEE— Agreed to terms with RHP Steve Sparks, INF Antone Williamson, OF Todd Dunn and INF Brian Banks on one-year contracts.
TORONTO—Agreed to terms with OF Shannon Stewart, C Julio Mosquera, RHP Joe Young and RHP Kelvin Escobar on 1-year contracts.
NATIONAL LEAGUE
ATLANTA—Agreed to terms with LHP Terrell Wade, RHP Paul Byrd and OF Jermaine Dye on 1-year contracts.
CHICAGO—Agreed to terms with RHP Terry Adams, OF Brooks Kieschnick, OF Doug Glanville, RHP Amaury Telemaco, OF-1B Brant Brown, OF Robin Jennings, C Mike Hubbard, OF Pedro Valdes, RHP Jeremi Gonzalez, RHP Marc Pisciotta and INF Miguel Cairo on 1-year contracts.
CINCINNATI—Agreed to terms with OF Steve Gibralter on 1-year contract.
LOS ANGELES—Agreed to terms with RHP Chan Ho Park on 1-year contract.
NEW YORK METS—Signed RHP Toby Borland to 1-year contract.
SAN FRANCISCO—Re-signed RHP William VanLandingham, LHP Kirk Rueter and LHP Doug Creek to 1-year contracts.

HOCKEY

NATIONAL HOCKEY LEAGUE
NHL—Fined Vancouver Canucks F Donald Brashear $1,000 and suspended him four games for punching Los Angeles Kings C Ian Laperriere in a Feb. 22 game.
TORONTO—Traded C Doug Gilmour, D Dave Ellett and a 1999 third-round draft choice to the New Jersey Devils for D Jason Smith, F Steve Sullivan and C Alyn McCauley.

THE WEEK AHEAD

SATURDAY, MARCH 1

SKIING, Trondheim, Norway — FIS, World Nordic Ski Championships, to March 3.
TENNIS, Various sites — women, Fed Cup, World Group 1 first round: U.S. at Netherlands; Czech Republic at Germany; France at Japan; Spain at Belgium. World Group 2, first round: Austria at Croatia; Switzerland at Slovakia; Argentina at Korea; Australia at South Africa, to March 2.
GOLF, Gold Coast, Australia — women, U.S. LPGA, Alpine Australian Ladies Masters, to March 2; Dubai, U.A.E. — European PGA, Dubai Desert Classic, to March 2; Pacific Palisades, California — golf, men, U.S. PGA Tour, Nissan Open, to March 2.
CRICKET, Johannesburg, South Africa — ICC, South Africa vs. Australia, first test, to March 4; Auckland, New Zealand — one-day international, New Zealand vs. England.
ATHLETICS, Atlanta — USA Mobil Indoor Championships, Atlanta, to March 2.
FIGURE SKATING, Hamilton, Canada — ISU, Champions Series Final, to March 2.
SKIING, Nagano, Japan — women, FIS, Alpine World Cup, downhill; Kvitfjell, Norway — men, FIS, Alpine World Cup, downhill.
AUTO RACING, Kenya — FIA, Safari Rally, to March 3.
RUGBY UNION, Various sites — IRB, Five Nations, England vs. France; Scotland vs. Ireland; various sites — Super 12, Queensland vs. ACT, Northern Transvaal vs, Auckland.
SOCCER, Honiara, Solomon Islands — FIFA, OFC, World Cup qualifying, Oceania, first-round playoff, second leg, Solomon Islands vs. Tonga.

SUNDAY, MARCH 2

SKIING, Kvitfjell, Norway — men, FIS, Alpine World Cup, super-giant slalom.
SOCCER, Various sites — FIFA, World Cup qualifying, Mexico vs. Canada; Jamaica vs. United States; Thailand vs. South Korea.
RUGBY UNION, Bloemfontein, South Africa — Super 12, Free State vs. Transvaal.

MONDAY, MARCH 3

BIATHLON, Nagano, Japan — UIMPB, World Cup Biathlon, (to March 9).
TENNIS, Mexico City — men, ATP Tour, Mexico Open (to March 9); Rotterdam — men, ATP Tour, ABN/AMRO World (to March 9); Scottsdale, Arizona — men, ATP Tour, Franklin Templeton Cup (to March 9); Indian Wells, California — women, WTA Tour, Evert Cup (to March 9).
OLYMPICS, Lausanne, Switzerland — IOC Executive Board meeting, to March 5.

TUESDAY, MARCH 4

CRICKET, Wellington, New Zealand — one-day international, New Zealand vs. England.
SOCCER, Various sites — UEFA Cup quarterfinals, first leg: Newcastle United vs. AS Monaco; Tenerife vs. Brondby IF; Schalke 04 vs. Valencia; Anderlecht vs. Inter-Milan.

WEDNESDAY, MARCH 5

SOCCER, Various sites — European Champions League quarterfinals, first leg: Borussia Dortmund vs. Auxerre; Ajax vs. Atletico Madrid; Manchester United vs. FC Porto; Rosenborg vs. Juventus.

THURSDAY, MARCH 6

OLYMPICS, Lausanne, Switzerland — selection of finalists for 2004 Summer Olympics, to March 7.
BASKETBALL, Various sites — Men's EuroLeague elimination round, first leg.
GOLF, Rabat, Morocco — men, PGA European Tour, Moroccan Open, to March 9.
CRICKET, Kingston, Jamaica — ICC, West Indies vs. India, first test, to March 10.
SKIING, Mammoth Mountain, California — women, FIS, Alpine World Cup, super-g, slalom, to March 7.
GOLF, Miami — men, U.S. PGA Tour, Doral-Ryder Open, to March 9.
SOCCER, Various sites — European Cup Winners' Cup, quarterfinals, first leg: Benefica vs. Fiorentina; Paris Saint Germain vs. AEK Athens; SK Brann Bergen vs. Liverpool; FC Barcelona vs. AIK Stockholm.

FRIDAY, MARCH 7

ATHLETICS, Paris France — IAAF, World Indoor Championships, to March 9.
CRICKET, Hamilton, New Zealand — ICC, New Zealand vs. Sri Lanka, first test, to March 11.
GOLF, Shimojiri, Japan — women, Japan LPGA, Daikin Orchid, to March 9.
RUGBY UNION, Bloemfontein, South Africa — Super 12, Free State vs. Auckland; Christchurch, New Zeland — Super 12, Canterbury vs. Wellington.
SOCCER, Various sites — African Champions Cup first round, first legs, to March 9.

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SPORTS

Carefree Days, and a Hint of Spring Training in the Air

Washington Post Service

FORT LAUDERDALE, Florida — Baseball here isn't a game yet, just a mood and a warm breeze on your cheek. It is like hitting the lottery, but not for money. Spring training is a peace-of-mind sweepstakes that you win just by turning off Route 95 onto Commercial Boulevard, then parking at Fort Lauderdale Stadium. As in any self-respecting heaven, admission to watch the Baltimore Orioles practice has been free for the past couple of weeks.

Grapefruit League games started Thursday. But they were almost entirely populated by minor leaguers. For the big leaguers, baseball is still mostly long toss, cut-off drills and wind sprints from foul pole to foul pole. A little batting practice — no tougher than those 20-balls-for-a-dollar machines beside the highway — constitutes heavy lifting.

Even intrasquad games are makeshift things. "We'll play seven, maybe eight innings," said Davey Johnson, the Baltimore manager, before Wednesday's skirmish between unknowns. "We'll see how it goes."

No use being too specific or uptight. The long season is a kind of hell and Opening Day will come soon enough. For now, why even play all nine innings?

Every morning the grandstand starts to fill before 10. There is absolutely nothing to see.

Yet the fans gather and watch the empty field for more than an hour. They sit in little groups, chatting, eating a fast-food breakfast, feet up on the seats in front of them. There is not even a grounds crew to chalk the foul lines. Yet hundreds — of all ages, all types — sit and bask.

Rhona Wise/Agence France-Presse

Cal Ripken tracking a foul ball in his first at-bat of Grapefruit play.

Vantage Point/ **THOMAS BOSWELL**

Yes, it is starting again — that mixture of baseball and spring and a rejuvenated spirit as clean as an 0-0 record.

In the distance beyond the left-field fence, the fans can barely glimpse the Orioles. They are warming up in privacy on the Back Field, one of baseball's inner sanctums. Perhaps no other field in the game is so isolated. The diamond is encircled on three sides by walls of 25-foot (8-meter) evergreens, set shoulder-to-shoulder and impossible to see through — an almost perfect silo of impenetrable green boughs. A tank would have a hard time crashing through that hedgerow.

No wonder glamorous players — from Reggie Jackson and Thurman Munson when the Yankees trained here for decades to the Orioles' current crop of superstars — feel so comfortable here. It is a venue worthy of a $45 million payroll. The air is full of conversations — conducted almost at a yell — that you would never hear at Camden Yards, the Orioles' stadium in Baltimore.

Cal Ripken Jr. sneaks up behind Brady Anderson and disconnects a remote microphone that the outfielder is wearing on his belt to tape some promos for the team. Anderson and the television crew are befuddled by the audio problems. Ripken spreads the joke.

"If my mike is dead, can I start swearing again?" yells Anderson, who promptly does so, not realizing that Ripken, standing behind him, has turned his mike back on.

Practicing bunt defense matters on the Back Field, but so do other things. Like telling stories. The Orioles' coaching staff huddles to discuss the day's plans. Suddenly, they break up laughing and start high-fiving each other.

"We've got a lot of old Orioles around here," said Ray Miller, the pitching coach. "So the Rick Dempsey stories are starting again."

THE ORIOLES would love to have more Dempsey-style fire and spirit on their laid-back team. By telling old tales, maybe they can set a tone.

For example, the catcher would frequently go to the mound to inspire, berate or educate pitchers. About twice a game, he would be so deep into his own pep talk he would forget to pull down his mask when he returned behind home plate.

As the next pitch came to the plate, the Orioles' bench would scream, "Rick! Rick!" A split second before the ball arrived, Dempsey would realize his peril, flip down the mask with one hand and catch the ball with the other.

"You have to love a guy who's so deep into the game he doesn't know his face mask is up," Miller said. "Somehow, he never took a foul tip in the teeth."

Coach John Stearns stands on second base on the Back Field as Rafael Palmeiro practices double plays.

"How's that?" crows Palmeiro after a throw right over the bag at second.

"Perfect," says Stearns.

Time after time, the second baseman's throws are belt high, over the center of the base.

"Right on the bag," beams the player who batted in 142 runs last summer, proudly polishing his defense.

By April 1, the Orioles will start to know whether they have gained more in defense, speed and offensive versatility than they lost in power in the off-season and how their pitching rotation will shape up.

For now, they question nothing. They think they look marvelous.

Johnson raves about having 15 quality pitchers for just 12 or 13 spots and brags that half the staff on his second-level minor league team is on the verge of winning in the majors.

"Maybe I should say all our young pitchers stink so Arizona and Tampa Bay won't take them in the expansion draft after this season," he says, getting somber.

"In fact, they're starting to look like a bunch of donkeys."

What a difference a few personnel switches and an offseason of rest can do for morale. "All the problems we had in this clubhouse last season seem to be gone," one veteran says.

Well, maybe. If you don't count reliever Randy Myers, whose motto could be "I'm different, therefore I am." Myers arrived 11 days after other pitchers.

"It's like the old Oriole days," Miller said. "Everybody is a pretty good person. That makes the work a lot more like fun."

So it seems. But then, at the start of spring training, the work is always close to joy and the biggest jerk on the team looks like a potential brother in arms.

Cavs' Swarming Defense Tames Jordan and Bulls

The Associated Press

Michael Jordan missed a game-tying 3-point attempt near the end of the game, and the Chicago Bulls lost to the Cleveland Cavaliers for the first time in two years, 73-70.

"It was a busted play and I tried to get a good feel for the ball, but couldn't," said Jordan. "It just was an off night for us."

The sellout crowd in Cleveland waited until the last few seconds to get up and cheer, having seen Jordan ruin too many of their seasons to take anything for granted. Jordan's career high of 69 points in a game came against the Cavs in 1990. He and the Bulls also knocked Cleveland out of the playoffs in 1988, '89, '92, '93 and '94.

"It wouldn't have been justifiable if I had made that shot with the way that we played," said Jordan, who was booed by about half the fans during introductions, as is the custom in Cleveland.

The defeat left the Bulls with a 49-7 record, one game behind their pace last year when they finished at 72-10, the best regular-season record in NBA history.

Dennis Rodman wasn't too concerned about Chicago's first loss since Feb. 5. "So we lost one, so?" Rodman said. "Now we have to try to get back on track. I think we have the ability to do that, don't you?"

Cleveland, the NBA's top-rated defensive team, held the Bulls to season lows in points and field-goal percentage. The Bulls made 25 of 76 shots from the field for a .329 average, eclipsing their previous season low of .337 against Indiana in December.

It was a big game for the rookie Vitali Potapenko, whom the Cavs' president, Wayne Embry, recently refused to trade to the New Jersey Nets for Jim Jackson.

Potapenko, the 11th pick in last summer's NBA draft, played his best game of the season, scoring eight of his 12 points in the fourth quarter.

"He was the X-factor," said the Bulls' coach, Phil Jackson.

Lakers 122, Bullets 107 Elden Campbell scored 38 points, and Nick Van Exel added 31 points and 12 assists as the visiting Lakers beat the Bullets. The Lakers improved to 3-4 without Shaquille O'Neal, who is out with a hyperextended left knee.

Hornets 106, Rockets 95 Glen Rice scored 12 of his 24 points in the third quarter, and Charlotte beat Houston for the first time at The Summit.

Jazz 118, Raptors 114 Karl Malone scored 32 points, including eight straight in the final 2:42, to help the Jazz beat the visiting Raptors.

Timberwolves 107, Mavericks 105 At Dallas, Tom Gugliotta's 17-foot jumper with 2.6 seconds left in the second overtime period gave the Timberwolves a victory.

NBA ROUNDUP

Mark Duncan/The Associated Press

The Bulls' Scottie Pippen driving past Chris Mills of the Cavaliers.

Freshman Steals Spotlight From Duke Seniors

The Associated Press

Duke honored its seniors at its last home game of the season while offering a glimpse of the future.

Jeff Capel, a senior, scored 18 points and Mike Chappell, a freshman, scored 10 in the second half as No. 7 Duke beat No. 16 Maryland, 81-69, Thursday night. The victory assured Duke (23-6, 12-3) of at least a tie for the top seed in next week's Atlantic Coast Conference tournament.

The Blue Devils led the Terrapins (20-8, 9-6), 55-54, before Capel hit a 3-pointer and Chappell added five straight points. Chappell said he had not intended to draw so much attention on the seniors night. He had scored only 27 points in his previous 14 games for Duke.

"I can't really explain what happened in that half," Chappell said. "I just kind of lost myself in the game."

No. 9 Cincinnati 80, Marquette 74 The Bearcats (24-5, 12-1 Conference USA) started a fresh set of guards but still held off Marquette (17-8, 8-5). Damon Flint missed the game because of an injured right wrist and Charles Williams was left at home for what coach Bobby Huggins called a violation of team policy.

No. 20 Charleston 89, Centenary 71 Stacy Harris scored 22 points, and the College of Charleston extended the nation's longest winning streak to 20 in the first round of the Trans America Athletic Conference tournament.

COLLEGE BASKETBALL

Oh, Baby! MacLean Makes Memorable Goal for Devils

Compiled by Our Staff From Dispatches

John MacLean, the all-time leading scorer for the Devils, spent most of Wednesday night at a hospital awaiting the birth of his first child. After a brief nap Thursday afternoon, he came to Continental Arena on Thursday night and celebrated the birth of his son Thursday evening by scoring on a rare penalty shot to lead the Devils to a 4-1 triumph over the Buffalo Sabres.

"It's unbelievable that it happened on this night," MacLean said afterward. "I was trying to be composed. I never had a penalty shot before. I'm taking the puck to the hospital to give it to my son."

Doug Gilmour and Dave Ellett, who made their home debut after their acquisition from Toronto on Tuesday, also scored for the Devils, who have lost only once in their last 16 games. The Sabres, who managed only 21 shots against Martin Brodeur, saw a 12-game unbeaten streak end.

Dixon Ward matched MacLean's goal by beating Brodeur. But Ellett broke the tie at 1:31, when his blistering shot from the point found its way behind Dominik Hasek with help from Denis Pederson's screening. Bill Guerin extended the lead with his 21st, an easy task from close on the left after a precision pass by Bobby Holik.

The Devils sealed their victory when Gilmour scored his 17th of the season into an empty net with 39.5 seconds left.

Red Wings 4, Penguins 1 Igor Larionov had a goal and two assists as Detroit handed visiting Pittsburgh its third straight loss.

The Penguins lost the NHL's top goal-scorer when Jaromir Jagr aggravated a recent groin injury.

Panthers 3, Blues 2 At Miami, Rob Niedermayer scored with 1:10 left in overtime to lift Florida to victory in St. Louis. The Blues had scored two third-period goals, including Brett Hull's 38th, with 1:49 left in regulation to help force Florida's fourth consecutive overtime game.

Stars 6, Avalanche 2 Joe Nieuwendyk and Darryl Sydor each had a goal and two assists as Dallas won its 20th road game in a battle of division leaders.

Mike Modano, Sergei Zubov, Neal Broten and Guy Carbonneau also scored for the Central Division-leading Stars, who won their fourth straight. Mike Ricci and Eric Lacroix scored Colorado's goals.

Bruins 6, Lightning 2 Embattled star Adam Oates was cheered in his return to Boston — even before his three assists helped his team snap a 10-game winless streak.

With the Bruins in a slump following the end of their longest road trip of the season, Oates ripped Bruins management for assembling a weak team. Assistant general manager Mike O'Connell stripped Oates of his alternate captaincy and began shopping him around.

Oates got a cheer nearly every time he touched the puck, and when he fed Ray Bourque to make it 2-0 just 4:41 into the game, the crowd erupted at the announcement of Oates's name.

Kings 6, Oilers 3 Dimitri Khristich scored the first two goals of the game in the opening period and assisted on Jan Vopat's second-period goal as Los Angeles beat visiting Edmonton, the Kings' fourth straight victory.

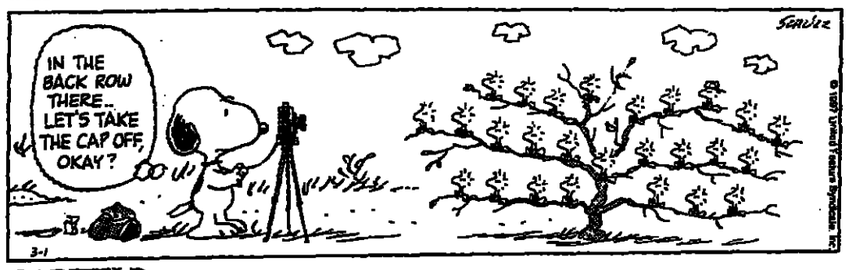
Canucks 6, Coyotes 2 Martin Gelinas had four goals and an assist to lead Vancouver over visiting Phoenix. The victory was Vancouver's first in four games and just its fourth in 13. *(NYT, AP)*

NHL ROUNDUP

DENNIS THE MENACE

"SHE HAS TO *FIX* MY DAD EVERY TIME HE TRIES TO FIX SOMETHING."

PEANUTS



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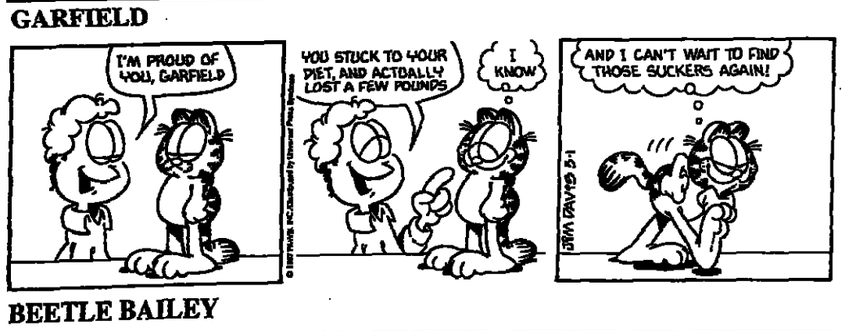
GARFIELD



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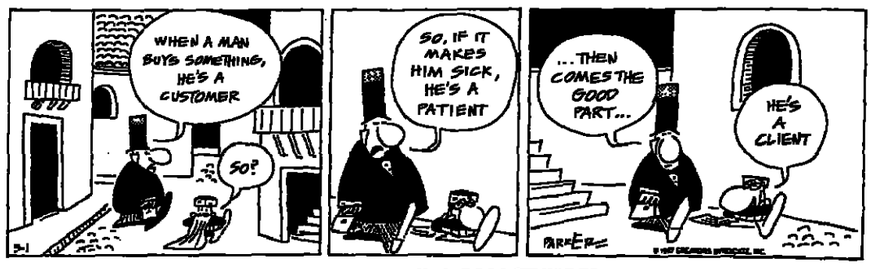

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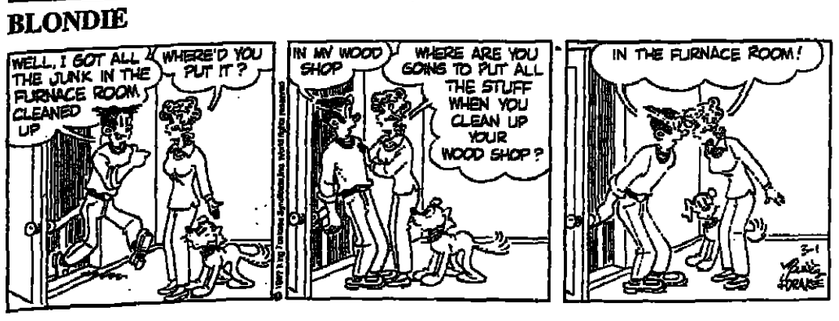

JUMBLE. THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

UNORM

RODOP

LUPCOE

GARDIN

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: A "____" ____ (Answers Monday)

Yesterday's Jumbles: NOOSE MAJOR BOREE DEMISE
Answer: Helping Grandma put up preserves can turn into one — A "JAM" SESSION

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DAVE BARRY

We All Make Mistakes

MIAMI — You can say what you want about us newspaper journalists. You can say that we are atheistic liberal family-hating snake-worshiping communist perverts. You can say that we dress like the character Ratso in the 1969 movie "Midnight Cowboy" and apparently have our hair styled by angry wrens. But the one thing you CAN'T say about us is that we don't admit our mistakes.

Yes, we have made some "doozies." Everyone remembers the famous 1948 picture of Harry Truman holding up a copy of the Chicago Tribune with a huge front-page headline declaring DEWEY DEFEATS TRUMAN. But what people DON'T remember is that the very next day, The Tribune corrected that error with a front-page headline declaring DEWEY DEFEATS COOLIDGE.

That is the high standard of accuracy to which we hold ourselves. And that is why, today, I want to correct a statement that I made in a recent column about a police officer in a Finnish city called Espoo who invented a harpoon for cars.

In that column, I stated that Finland is also known as "Norway." Shortly thereafter, I received dozens of letters, and do you know what they said? That's right: I may already have won $10 million!

But I also received a lot of letters, some of them quite angry in tone, stating that Finland is NOT also known as "Norway." A typical statement came from Patty Young, who wrote: "Though Finland and Norway are both within Europe, they are two individual countries."

□

Another writer, Elizabeth Natti, noted that "Finland was the only foreign country that paid off its World War I debt to the United States." She also took issue with my suggestion that the civic motto of Espoo should be "The City That Sounds Like A Person Spitting."

So I wish to sincerely apologize and issue the following corrections:

1. Finland is NOT also known as "Norway." Finland is, in fact, also known as "Sweden."

2. The civic motto of Espoo should be "The City That Sounds Like A Person Barfing."

3. None of this should be construed in any way as a criticism of Neil Diamond.

Now that we've cleared that up, let's get to the real purpose of this column, which is an alarming medical discovery that was made during Valentine Season by alert reader S. Scott Hanan, M.D., a family practitioner who apparently has (1) access to medical research materials, and (2) a lot of spare time.

Dr. Hanan's discovery, which he backs up with six pages of diagrams from medical books, is that — prepare to be shocked — the human heart is NOT shaped like the valentine-style "heart" that is used in candy boxes, cartoons, tattoos and the signatures of women named "Brandi."

By way of proof, Dr. Hanan sent a medical diagram of a human heart; it looks like a member of the mollusk family. Right next to this diagram, for comparison purposes, Dr. Hanan who notes, "I am a medical doctor, and therefore more than qualified to comment on such matters," has drawn a standard valentine "heart" and written "I DON'T THINK SO!"

I received a lot of letters stating that Finland is NOT also known as 'Norway.'

And that is not all. Dr. Hanan has also reviewed the medical literature to see if any human organ IS shaped like a valentine. He found one: It is the PROSTATE GLAND. He enclosed several prostate diagrams, and there can be no medical doubt: It's a dead ringer.

This discovery has MAJOR implications, and not just for people who play bridge ("I bid three prostates"). It also means that there are thousands, perhaps millions, of hairy men walking around with the word "Mom" tattooed on a picture of a prostate gland. But the biggest impact has to be on the greeting-card industry, which I imagine will have to recall the billions of prostate cards it has sold over the years.

In an effort to gauge the extent of this crisis, I called the Hallmark greeting-card company, which is located in Missouri (also known as "Kansas"). I spoke with spokesperson Allison Novela and told her about the heart/prostate situation. She checked into it, and, a short while later, she called back to read this statement, which I am not making up:

"The doctor is correct about the shape of the human heart. However, Hallmark decided to sacrifice accuracy for sales after the poor performance of the following verse:

Valentine, I'd follow you clear 'cross state,
For you to hold the key to my prostate.

So that settles that. All that remains to be done now is for whoever is in charge of these things to send Dr. Hanan his Nobel Prize and a large cash award.

Speaking of which, I have this important announcement for those nations that have not yet paid off their World War I debts to the United States: It's NOT too late! Send the money to me, and I assure you that will be the end of it.

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In Paris, Military Music With Strings

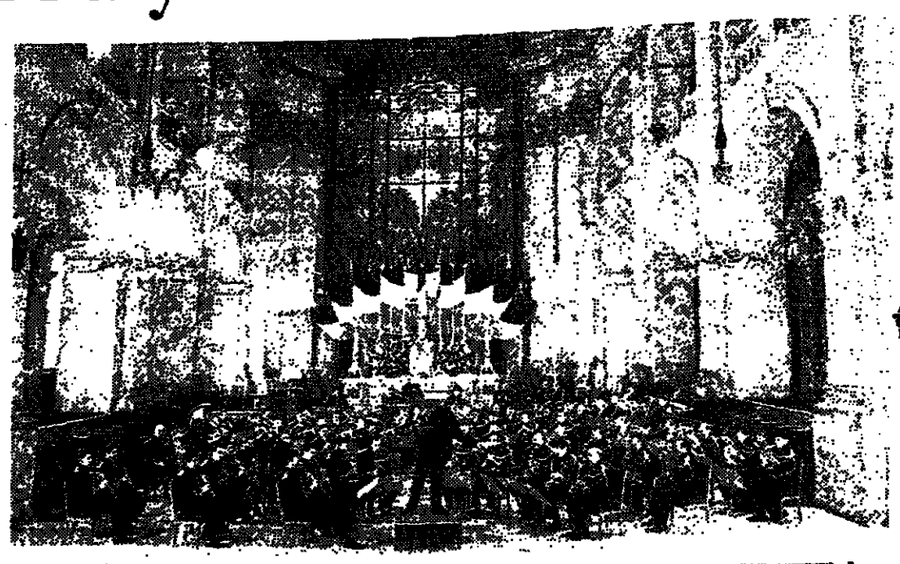
International Herald Tribune

PARIS — Military music bears the same relation to music as military justice does to justice, Georges Clemenceau famously remarked, weary perhaps of the sound of cunningly plangent regimental brass.

But already before Clemenceau's time, in 1848, the Orchestre de la Garde Republicaine had been formed, suggesting serious musical ambitions, and in 1872 it began touring abroad. More crucially, in 1948 the orchestra added a string section.

"It's not comparable with, say, Boston's, it's a bit small for Tchaikovsky or Brahms, but for Beethoven, Mendelssohn and contemporary music it is sufficient," said Roger Boutry, the orchestra's conductor. In the French tradition, he regards the woodwinds as his orchestra's strongest component.

MARY BLUME



While all branches of the armed forces have their bands, the Garde Republicaine is unique — perhaps in the world, Boutry suggests — in having a full-time symphony orchestra with a regular concert schedule in Paris and on tour. Through this month, for example, they are presenting a cycle of free concerts at the Invalides called Vents d'Hiver, featuring wind instruments and including works by Stravinsky, Ravel and Berio, to be followed by works with guest soloists, including Roger B. Williams at the great organ of the church of St. Louis des Invalides, followed by a traditional Napoleonic cycle, Napoleon having stated that, "Of all the fine arts music has the greatest influence on the passions, one that the legislator must do his utmost to encourage."

The concerts are under the aegis of the music department of the Invalides museum, one of its seven divisions. The department, formed three years ago by Christine Helfrich, its curator, who came from the Debussy museum outside Paris, is less concerned with the ancient, and mostly useless, musical instruments scattered through the vast collections of the Invalides than in promoting the orchestra of the Garde Republicaine.

Founded in 1813, the Garde Republicaine has mainly ceremonial functions. Of its 2,960 members, 120 are musicians, not including the much-loved 40-man mounted bands who avoid breaking their teeth while trotting by holding their trumpets slightly sideways (the drummer guides his horse only with his feet).

Boutry, a composer, pianist, winner of the Prix de Rome and professor of harmony at the Conservatoire National Superieur de Musique in Paris, has been chief conductor of the Garde's symphonic orchestra since 1994. He has the honorary rank of colonel and wears, for concerts, the appropriate epaulets fixed to his tailcoat. The musicians, all civilians, include 17 women, play in uniform and rise through the non-commissioned ranks until obligatory retirement at 55, young for a musician.

Musicians are recruited from the conservatories of Paris and Lyon, ensuring a high musical level. "They are professional musicians, hiring is on the same level as for the Orchestre de Paris or the Opera," Helfrich emphasizes.

Their venues tend to be monumental, the Ministry of Defense having drafted them to play at historic buildings under its protection such as the Invalides, the Ecole Militaire and the 17th-century Val-de-Grace hospital, which awarded Boutry its Medaille d'Honneur du Service de Sante. "It's because we've given a lot of concerts there, not because I took care of the patients," Boutry explained.

The long relation between military music and national prestige took a leap forward, says General Jean-Francois Reynaud, secretary-general of the Invalides museum, as a Cold War weapon in 1982 when the secretary of defense, Charles Hernu, founded the armed forces chorus. "There was the Red Army chorus, so why not the French?"

Music, says the general, has always been important to the military, not only for utilitarian drum rolls and trumpet blasts. "You don't form an army to have an orchestra of violins, but it is not an anomaly that the military is interested in music. The Garde Republicaine is a good thing because it shows an orchestra in uniform and also it adds to the prestige of the armed forces and of France."

"I think our orchestra is unique in the world because we do nothing but concerts. The others have military duties as well," Boutry said. "It is not military music but music played by people in uniform," the general underlined.

The Garde orchestra does not do funerals but does play at ceremonial inhumations at the Pantheon, most recently that of Andre Malraux. Nor, heaven forbid, do they play in parks. Boutry has nothing to do with the mounted musicians although he oversees their recruitment.

The programs usually include a piece with a military connection, which may range from Lully's "Marche Francaise," composed by order of Louis XIV for the Comte de Sery's regiment to a Schubert marche militaire to a recently commissioned piece in commemoration of the Battle of Verdun. Vocalists and pianists are recruited from outside the orchestra when needed.

On June 12, at the church of St. Louis in the Invalides, there will be a concert in honor of Boutry's retirement, at which he will be at the piano playing Ravel and Franck. His own military service was with the Chasseurs Alpins in Algeria and, aside from difficulties once in playing the Brazilian national anthem, he is glad he joined up with the Garde Republicaine.

"We have not only wind instruments but a proper symphonic orchestra. If you lead the bands of the army or the air force you will never again in your life see a violin."

Musee de l'Armee, Paris

The Garde Republicaine's Symphony Orchestra (top) often plays in the Invalides church; above, a Second Empire army musician.

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PEOPLE

Mike Segar/Reuters (left); Kevin Larkin/AP

PUBLIC PLACES — Howard Stern fans cheering outside New York's Madison Square Garden, where Stern, right, and White Zombie lead singer, Rob Zombie, performed before Stern's film, "Private Parts," premiered.

ABOUT seven years ago, Peppermint Patty, a character in **Charles Schulz's** "Peanuts" cartoon, stood up at a concert and yelled, "Way to go, Ellen!" Patty was referring to **Ellen Taaffe Zwilich**, the first woman to win a Pulitzer Prize for music, whose work she had just heard. The strip was inspired by a performance of a Zwilich composition Schulz had heard at a concert by the Sonoma County Symphony in Northern California. "Every time I go to the symphony, it stirs up my brain," he said. Now Zwilich has written a concerto grosso called "Peanuts Gallery." It is to be given its world premiere at Carnegie Hall on March 22. There are six movements, including "Schroeder's Beethoven Fantasy," "Lullaby for Linus" and "Snoopy Does the Samba."

□

Former **King Michael** of Romania received a big welcome in Bucharest on arriving Friday for his first visit home as a citizen in 50 years. He and his wife, **Anne of Bourbon-Parma**, were greeted by **Prime Minister Victor Ciorbea**, along with several hundred well-wishers as they stepped off the plane for a six-day visit. The 75-year-old Michael, who lives in exile in Switzerland, was forced to abdicate in 1947, then stripped of his citizenship by the Communists in 1948. His citizenship was restored on Feb. 21. In 50 years, he had only once before received authorization to visit, in 1992.

□

As pundits went into overdrive about the ethical and scientific implications of genetically cloning a little lamb named Dolly, show business immediately saw its potential for new jokes and drama. For comedians trying to pump up flat jokes about Mexico's drug-fighting failures and the president's fund-raising scandals, Dolly's arrival was heaven-sent. They immediately focused on the lighter side of cloning. "They cloned a sheep and created an exact double of that sheep," said NBC's late-night host, **Jay Leno**. "Is that really a big deal? Don't all sheep pretty much look alike anyway?" His CBS counterpart, **David Letterman**, offered the top 10 "good things about having a clone." Among them: At parties you're no longer automatically the biggest loser in the room, and your clone can do jail time while you continue as first lady. The playwright **Wendy Wasserstein** wondered what cloning would mean for psychotherapy. "What would you say to the shrink? I hate my parents when I am my own parent?"

□

Resolved: "This House believes that The **Beatles** contributed more to British music than **Oasis** ever will." So read the motion put before the Oxford Union. And after a heated argument at the debating society at Oxford University on the merits of each group, students voted, 190 to 69, in favor of the golden oldies. A dozen or so musicologists, rock critics, composers, and even **Paul Gallagher**, brother of the Oasis linchpins **Liam** and **Noel Gallagher**, were on hand to share their thoughts on the divisive issue.

□

Smokey Robinson & the Miracles got back together for only the second time in 25 years. Robinson left the group in 1972 to pursue a solo career, and they first reunited for a 1983 television special marking Motown's 25th anniversary. This week, Robinson and the other surviving original Miracles — **Claudette Robinson, Bobby Rogers and Pete Moore** — gathered in New York City to tape "Ooh Baby Baby" and "The Tracks of My Tears," two of their biggest hits, for the Rhythm & Blues Foundation's Pioneer Awards ceremony.

□

The Chinese actress **Gong Li** says she intends to forward a motion calling for more freedom in films and the arts at the current session of the Chinese People's Consultative Conference. Gong, star of "Raise the Red Lantern" and "Farewell My Concubine," is a member of the conference, even though some of her films have been frowned upon by censorship officials. She said the government should ease censorship and take a more tolerant approach to opening the film industry to producers, saying, "It is best to let a hundred flowers blossom — a real policy."

□

The mansion that **Donald** and **Ivana Trump** lived in during happier days is up for grabs, but it's not exactly a fixer-upper. Ivana, who got the 11-bedroom, Georgian manor house in Greenwich, Connecticut, in her divorce from the real estate tycoon, is asking $18 million. It has nine full baths, seven fireplaces, a library, separate formal and family dining rooms, a game room, an exercise room, a bowling alley, a wine cellar, an elevator and a heated swimming pool. Donald Trump paid $3.7 million for it in 1984.

□

Don Cornelius, the creator of the TV dance program "Soul Train," has received a star on the Hollywood Walk of Fame. "Soul Train" celebrated its 25th season in 1995.

□

The family of **Jim Thorpe** is getting back some medals taken away from him as an amateur athlete in 1913 — and it's all because of a high school research project in Reserve, Wisconsin. "I am proud of those kids up there . . . digging around in that computer to come up with this," one of Thorpe's sons, **Richard**, said by phone from Oklahoma City. Thorpe won gold medals in the decathlon and pentathlon during the 1912 Amateur Athletic Union national championships and the Olympic Games in Stockholm, but was stripped of the medals because he had played semipro baseball in 1909 and 1910. The Olympic medals were returned to his family in 1984, but overlooked were the AAU medals, which had qualified him for the Olympics.